THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

December 30, 1939

Free China's Outlook for the Coming Year

By John Ahlers

The Prospects for 1940

AN EDITORIAL

Finns Hurl Back the Reds

The Mass Movement in China

BY C. Y. W. MENG

Factors in Japan's Current Rice Shortage

By Yuzo Hara

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(中國評論週報)

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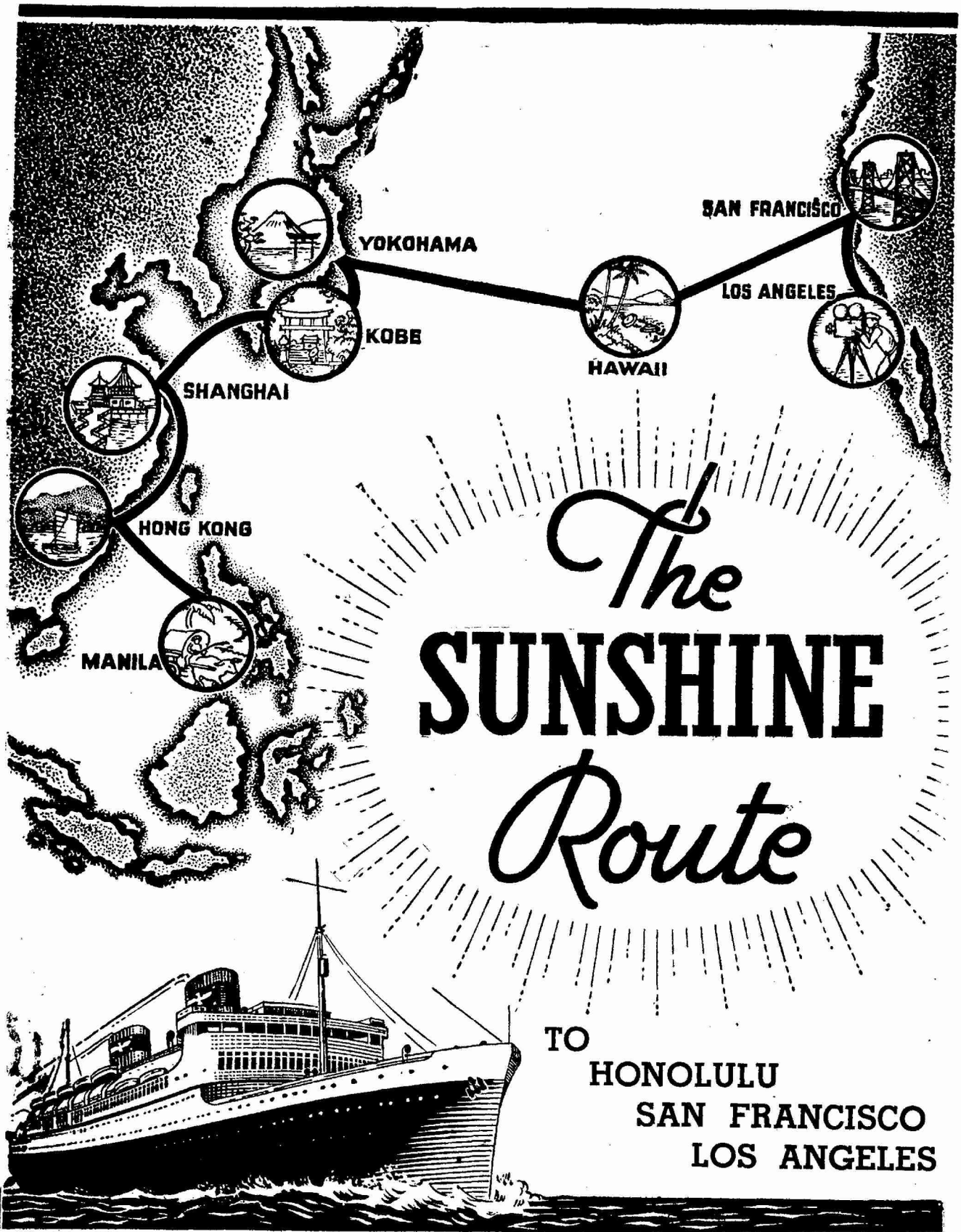

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

CHINA FIGHTS FOR U.S.

To the Editor:

More than one hundred and fifty years ago America fought for her independence. At the beginning of the war, who could have foretold that America would win? And who would have dared say that America was wrong to resist Britain? America was fighting for liberty and national existence. China's resistance to Japanese aggression today is similar to the American war of independence.

When a weak person stands up against a strong robber, brave and upright men always assist the former. For what America has done to aid China, we Chinese are thankful but we don't agree with the American isolationists who say that America cannot or should not increase her assistance to China.

It is well-known that Japan is a treaty-breaker, an ambitious invader who will not be satisfied until she has swallowed the whole world. She is now seeking a compromise with America, to secure a breathing space in order to go forward later, and more vigorously, with her plans of conquest. This is a trick which can easily be seen through.

When Japan has grown bigger and stronger, she will tear to pieces any treaties she has made and may even dare to try an invasion of America or the colonies of the European powers some day.

America has no real enemy in the whole world except Japan. Luckily for America (and also for Britain and France) China has been the first to resist Japan. China is fighting for America's treaty rights and commercial interests. And when she has driven away the enemy troops, she will need America's material aid for national reconstruction. America will thus get from China more than from any other country. This is something which America should keep well in mind.

MU WEN-FU

Kunming, Yunnan,
December 7, 1939

GUERRILLAS IN ACTION

To the Editor:

Chinese guerrillas are very active in Changchow (Wutsin hsien), Kiangsu Province. On Dec. 10 a battalion of the 33rd Brigade and the First Detachment of the Loyal Salvation Army (Chung Ni Chiu Kuo Chuan) had an opportunity to attack the Japanese near Fanchang and Lichiachiao, respectively about 18 and 23 li east of Changchow. The Chinese forces numbered about 600, while their opponents were about 350 strong.

By noon on Dec. 10, more than 600 Japanese reinforcements arrived and a desperate battle began. Machine-guns were clattering and hand-grenades exploding along a front which stretched for about six li. By three o'clock in the afternoon, after they had suffered about 80 casualties, the Japanese troops withdrew to the north and the guerrillas also left the area. Chinese casualties numbered 40 dead and seven wounded.

A detailed account of the battle was given me by an officer of the 33rd Brigade, who led the fighting. He had high praise for the villagers who rendered all possible aid to the Chinese fighters while the battle was in progress. Though stiff with cold, they came out to carry stretchers bearing wounded Chinese fighters, taking them to the rear under a hail of bullets.

On Dec. 12, a detachment of Japanese soldiers returned to the scene of action and asked the villagers to hand over the corpses of eight Japanese soldiers who had been killed, but whose bodies were left behind when the Japanese withdrew in confusion. The villagers failed to hand over the corpses. This enraged the Japanese, who then set fire to a number of houses. They are still burning as I write this.

Changchow, Kiangsu,
December 12, 1939

S.N.C.

LETTER FROM JAIL

To the Editor:

Please allow me to express my thanks and convey those of our fellow-prisoners, foreign and Chinese, for your kind attention towards ourselves. Your Cristmas Number came in a couple of days ago and caused great interest, as usual.

May we wish you a very merry Christmas and, taking the opportunity, a very prosperous New Year. Chinese prisoners who read English, and those who only understand illustrations, are always waiting with the same great interest the arrival of a fresh Number. The contents of your magazine in these hard days for China are very fascinating.

I. FOOTLICK

French Municipal Jail,
285 Rue Massenet,
Shanghai,
December 20, 1939

ABOUT A PLAY

To the Editor:

In connection with the article on "The Last of the Mings" in a recent issue of your paper, the writer wishes to make a note of two points. First, the two pictures accompanying the article are scenes of the Chinese play, "Wen Shu Shen," and have nothing to do with "The Last of the Mings." Secondly, in the Editor's note preceding the article, he remarked that the performance of the play had been cancelled owing to objections by certain quarters. Apparently, the Editor failed to distinguish the drama version of "The Last of the Mings" and the stage play of the story. They are two entirely

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
C. FRANK GLASS and HOH CHIH-HSIANG, *Assistant Editors*
F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

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different things. It is true that the drama of "The Last of the Mings" can no longer be performed under present circumstances, but the stage play has been successfully performed in the Carlton Theater without any hindrance.

CHIAO PING

The Social Daily News,
Shanghai, Dec. 23, 1939.

Editor's Note:—The pictures to which the correspondent refers, and which were reproduced in an article on the Chinese theater in the Dec. 16 issue of The Review, were not identified as being connected with "The Last of the Mings"; in fact one was definitely identified with the play "Wen Shu Shen." The editorial note over the article, moreover, did not state that the play "The Last of the Mings" had been cancelled, but that it had been objected to by the Japanese as an anti-Japanese performance.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, December 27, 1939

Demand selling rate on New York: U.S.$1.00—Sh.$13.00

Demand buying rate on New York: U.S.$1.00—Sh.$12.69

Demand selling rate on London: £1.0.0—Sh.$51.20

Demand buying rate on London: £1.0.0.—Sh$49.87

AMERICAN STOCK AND COMMODITY QUOTATIONS

December 26, 1939

STOCKS	*Opening*	*10.30 a.m.*
Amer. Locomotive	21½	21½
Amer. Waterworks	11⅜	11⅜
Anaconda Copper	30⅝	30⅝
Bethlehem Steel	81¾	81¾
Chrysler	89⅛	89⅛
Elec. Bond & Sh.	7¼	7¼
Gen. Motors	54⅜	54⅛
Goodyear T. & R.	24	24
Gt. Nthrn. Rly., pfd.	26¾	26¾
Lockheed Aircraft	30¼	30⅜
Mont. Ward	54¾	54¾
N. Y. Central	18¼	18⅜
Texas Corp.	44	44
U. S. Steel	67⅛	67¼
COMMODITIES		
New York Cotton, March	10.82	10.84
New York Rubber, March	18.95 B	19.15
New York Hides, March	15.00 B	15.00 B
Chicago Wheat, May	—	101⅝
Chicago Corn, May	—	57⅛
New York Sugar, No. 4, March	—	158½ B

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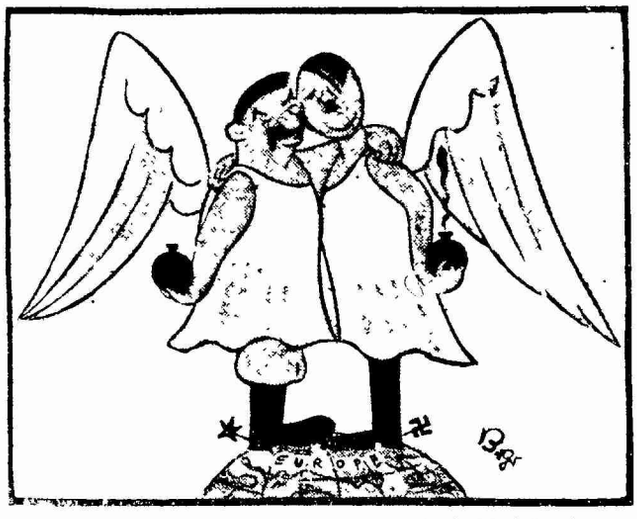
Vol. 91 Shanghai, Saturday, Dec. 30, 1939 No. 5

THE PROSPECTS FOR 1940

THE eve of a new year is usually a time for editorial writers to dust off their collections of time-worn platitudes and serve them up for public consumption. There was a time—very, very long ago—when expression of the wish for a "Happy New Year" was more than the wry jest which modern conditions of life have made it. When the wish was uttered, there existed a reasonable expectation that a fair modicum of happiness, at least, would accrue to its recipients.

It is far different today. World peace was shattered in 1914. Formally restored in 1918, the war was continued by other means, with occasional armed clashes between states, until the fateful September 3, 1939, when

Messengers of Peace



Daily Mail, London

Britain and France again declared war on Germany. This war, which is about to enter its fifth month, is rightly referred to as the second "World War" because of the stature of the contending powers, the world character of the interests that have become involved, and because a majority of states, regardless of their desire for neutrality, must inevitably be drawn in if the conflict proves a protracted one, as it shows every sign of becoming.

War has become the overshadowing fact of contemporary life. It is merciless and all-enveloping. How far its cruelties and its sinister influences will spread in the coming year, and the depths to which it will plunge mankind, are not easily guessed. We do not propose to don the mantle of prophesy, for prophesy—above all in politics—is a risky undertaking. By considering the facts of the present situation, however, and by observing the trend of events, it is possible to forecast, in rough outline, some of the probabilities of future development.

Modern warfare is totalitarian in nature. Once fought by professional armies, it is now waged by whole nations. The change in the structure of war is largely a reflection of the changes in war technique. The efforts of millions of civilians are now necessary to keep an army in the field. Totalitarian war demands the regimentation of the entire population. It is therefore inconsistent with democratic practices. Britain and France are fighting to "redeem Europe" from the recurring threat of war represented by hungry Nazi imperialism, to "liberate" the German people, to "preserve democracy." Yet in order to wage this war they find themselves obliged to wipe out

"Border-Line" Cases

Sunday Pictorial, London

the very democracy of which they have proclaimed themselves the defenders.

In France, which was torn by social crisis for years before the outbreak of the war, the black-out of democracy has proceeded much faster and gone much farther than it has in England. France's internal regime today is scarcely distinguishable from that of Nazi Germany or Fascist Italy. Parliamentary government has been reduced to a caricature. Freedom of press and meeting have vanished. Individual rights, where they conflict with the totalitarian waging of the war, are *non est*. Draconian laws are enforced against anyone who raises a voice of opposition. In Belgium, a country which is not yet at war, the picture is essentially the same. Likewise in Switzerland and the Scandinavian countries. As for other European neutrals, they have reinforced the dictatorial regimes which they had before.

If there were a real, spontaneous enthusiasm for the war, if the masses of people were persuaded that they really were fighting for the things for which their statesmen say they are fighting, mass compulsion and regimentation would be less harsh—just so much as would be necessary for assuring the fighting efficiency of the war machine. But the people are not convinced. Moreover, the war has already seriously dislocated economic life and wrought tremendous hardships. This engenders discontent and a spirit of rebellion. As the war continues, as the death toll mounts, as the hardships pile up and intensify, opposition to the war will grow. Then, if the war is to continue, state compulsion will increase, the last vestiges of democracy will disappear.

One of the prospects for the coming year, then, is a progressive disappearance of civil rights in all countries. Will the civil populations submit, or will they rebel? If they submit—for how long? These are vital questions, and they lead one to speculate as to which country will be the first to have its totalitarian war regime cracked open by popular rebellion and possible civil war.

In general, it may be said that revolt will appear first in those countries where a growing poverty of resources produces the greatest hardship and where, consequently, weakened military strength produces reverses in battle. Confining our speculative excursion to the present belligerents, it may be predicted that internal upheavals will occur sooner in Germany and France than in England, if they occur at all.

Soviet Russia, though warring against Finland, is still technically a neutral in the conflict between Germany and the Allies. But there will be considerable surprise if that country maintains its neutrality during the coming year. War on a large scale will subject the totalitarian Stalin regime to a decisive test. In defeat, or even if there are severe reverses, the Russian people are likely to sweep away the Stalin regime as they did the regime of Tzarism twenty-two years ago. Victory may be equally disastrous for the Kremlin clique. For a people which emerges victorious against a foreign foe is hardly likely to submit to repression at home. The mass blood purges were a sign, not of the strength, but of the weakness of Stalinist totalitarianism, which roused millions to opposition. In war, and after a war, this opposition will be armed. It will not be so easy to suppress it.

The question which everyone must be asking now is the extent to which the war will spread during the coming year. That it *will* spread is generally taken for granted. If Soviet Russia succeeds in vanquishing Finland, and then turns her attentions to the Balkans in more decisive fashion, Turkey will almost certainly move to halt the Russian advance. With Turkey warring against Russia, the mutual assistance pact between the Allies and Turkey will be implemented. Soviet Russia will then have been drawn into the war and, in all probability, will become the active ally of Nazi Germany. It requires little imagination to see that in such a situation continued Italian neutrality would be virtually impossible. Mustolini would have little alternative but to join the Allied camp. The Rome-Berlin Axis, which Il Duce still hopes to use for driving a bargain with the Allies, would be smashed by war.

There is another possibility, however. A Soviet push into the Balkans, starting with Rumania, would seriously imperil the Nazi *Drang nach Osten*, might precipitate a break between Germany and Russia and throw Germany and the Allies into each other's arms.

A German-Allied embrace could be brought about in yet another way. Having conquered Finland, Stalin's armies may move against Sewden. That would be a serious threat to Germany, which is now so largely dependent on Swedish iron ores to keep her war machine running. Soviet domination of the Baltic would be near completion by the conquest of Finland. The conquest of Sweden would complete it. If that should come about, Hitler would almost certainly have to break with his Moscow ally and endeavor to stop his westward march. In such a situation, it would be highly advantageous for the Allies to halt the war on the Western Front and allow Nazi Germany and Soviet Russia to fight it out until one or both were exhausted. In such a war, the Allies could be expected to help Nazi Germany if Soviet Russia showed signs of winning the victory, and to aid Soviet Russia if Nazi Germany were getting the upper hand. In this way, Britain and France would be continuing the "balance of power" policy which they have pursued in Europe ever since the Napoleonic wars.

The biggest question mark on the world war map is of course the United States. American neutrality is a form which contradicted reality the moment the pledge was given to defend Canada against any attack, for Canada is an active belligerent on the Allied side. Today, America is an arsenal of the Allied Powers, and the sympathy of official America lies unquestionably with the Allied cause. All that is needed to bring form into consonance with reality is a war declaration against Germany by the Washington government.

"He Doesn't Mean You, Ivan!"

The Chicago Tribune

Will there be an American war declaration this year? The answer to this question depends upon many factors. If the war on the Western Front continues in its present state of stalemate, American military intervention is not likely, because it will serve no useful purpose either for the Allies or America. If the hostilities develop —as they may do in the coming spring—American intervention on the Allied side will be brought that much nearer. In general, it may be said that America will enter the war militarily only if, and when, that becomes

necessary to prevent an Allied defeat or speed an Allied victory.

America's role in the current war situation has an important bearing on the situation in the Far East. The first four months of the conflict in Europe, and the position as the old year draws to a close, suggest that entry by the United States is not likely to become a necessary factor in an Allied victory in 1940, barring some surprise development which might transform the situation very rapidly. Thus America is free to devote considerable attention to Japanese aggression. Leaving aisde the numerous subordinate considerations, it may be stated confidently that Japan's more conciliatory attitude of late is a reflected recognition of America's comparatively free hand in the Pacific. If there existed the likelihood of early American military involvement in Europe, Japan's course would be much more heedless than it appears to be at present. On the other hand, Washington's responses to Japanese approaches—above all the current indications that there will be no retaliatory trade action against Japan after January 26—reflects the desire of Washington to keep America's hands free in the Pacific in case entry into the European conflict should become necessary. More than this, Washington desires to avoid any action which would drive Japan into the arms of Soviet Russia.

Family Likenesses

Il Travaso, Italy

"These are your youngsters? .... charming .... The little girl is more like her father than her mother."

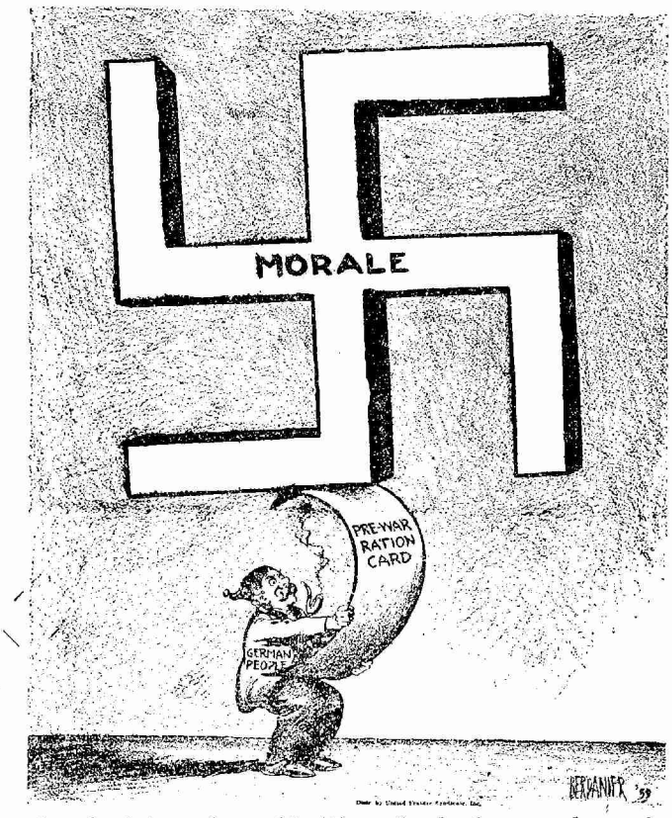
For Japan, needless to say, the advantages of friendly relations with the United States far outweigh any advantages Dai Nippon could derive from an agreement with the Stalin government, of the type which Hitler entered into with Stalin. The miserable performance of the Red Army in Finland, moreover, will also enter Tokyo's calculations in considering future diplomatic moves. A Japanese-Soviet pact might have been a useful instrument of diplomatic blackmail, but the miserable showing of Stalin's steamroller military machine has blunted its hypothetical edge. Washington knows this, and Japan knows that Washington knows. For the Stalin government, however, an early agreement with Japan must now seem all the more desirable.

And the China war—will it end next year, or will it drag on into 1941? Elsewhere in this issue, Mr. John Ahlers points out that economically there is nothing to prevent China continuing to defend herself against Japanese aggression for another twelve months, while Japan's economic position is precarious indeed, and becoming more so from day to day. How much longer can Japan continue the war without suffering economic collapse and internal revolution? No one knows, not even the Japanese themselves.

Reports from Chungking have lately indicated that the government of Gen. Chiang Kai-Shek has been banking heavily on the worsening of American-Japanese relations and a possible break between the United States and Japan. There are now signs that there will not be such a break, at any rate for some time to come. Japan, moreover, is likely to get her central Chinese puppet government started some time in the coming year. How will Chungking react to these developments? Will it fold up and surrender, or resolve to continue the struggle? Time alone will furnish the answers to these questions. But even should Chungking fold up and surrender, and the puppets take control, the war will not really be at an end. Only one phase of it will have terminated. No nation has ever reconciled itself to foreign domination. New forces and new leaders will come to the fore to continue the struggle for China's independence.

Prospects for 1940 thus unfold as a series of possible alternatives, with a number of imponderables lurking in the background. Only one thing is certain:

He Can't Hold it up Long



the destinies of mankind are firmly harnessed to the chariot of war. More countries and more peoples will be sucked into the expanding orbit of death and destruction. Increasing suffering and misery will be the lot of huge masses of people. Happy New Year? Hardly!

Shanghai Contributes Money To Aid Cause of the Finns

Amounts totalling Ch.$1,945 and £12 had been received up to Tuesday of this week by the "Friends of Finland Fund" which has been established in Shanghai with a view to sending financial aid to the Finnish Government in the present war with Soviet Russia. An additional Ch.$455 was received for the Finnish Red Cross. Contributions are being received by the Finnish Legation, 310 Route Cardinal Mercier, Apartment 9. Following is a list of the subscribers:

"Friends of Finland" Fund

D. W. Mortlock, £1.0.0; Association of Polish Residents in Shanghai, $100: "Bill," $50; Mr. and Mrs. K. A. Person, $100; D. S. M. Fraser, $10; Esthonian sailor, $10; J. Pure, $25; Kingwell H. Tsha, $10; William Fisher, $15; Madame Claude Riviere, $30; M. Baudez, $100; P. Auge, $50; Anonyme P.A.J., $50; M. & Madame Yvon Segalen, $20; A Sincere Sympathizer, £10.0.0; T. A. Hultman, $400; H. A. Crickmer, $20; Mrs. Conran, £1.0.0; Mrs. Herbert, $5; Henri Bar, $50; M. & Madame R. Berthier, $20; M. &. Madame J. Barraud, $100; Mr. & Mrs. F. Kendall, $10; Ferdinand Lerosey, $20; E. S. Booth, $25; "My Admiration and Sincerest Sympathy," $500; Pierre, $25; A. Eveleigh, $50; Scandinavian Women's Association, $50; Mrs. H. A. Forbes, $100.

Finnish Red Cross

G. V. Synnerberg, $100; Capt. W. Tomroth, $20; E. E. Hartzell, $50; W. W. Warpula, $15; Capt. Blaise, $200; I. G. Chudzynsky, $25; B. Rutkowsky, $25; An Esthonian, $20.

Free China's Outlook for the Coming Year

BY JOHN AHLERS

CAN China hold out for another year? This question was asked two years ago after Nanking had fallen into Japanese hands. It was asked again at the end of last year when China had not yet overcome the effects of the Nipponese capture of Canton and Hankow. Today, with the disappointment over the fall also of Nanning not dissipated, it is being asked again. From the economic and financial angle, the answer to this question, just as at the end of the past two years, is in the affirmative. The maintenance or breakdown of China's power of resistance to Japan in 1940 will depend decivisely on military and political developments. There are no indications that the new year will threaten Free China with economic and financial collapse so long as the Chinese armies continue to fight, and the Free China politicians continue to cooperate.

There will be in 1940, as a matter of course, another series of great economic and financial difficulties in the Free China provinces, but indications are that these difficulties will be overcome just as during the critical year which is now coming to an end. The problem of domestic war financing will be the chief worry of the Minister of Finance. Recent total war expenditure on behalf of the Chinese National Government appears to have amounted to about $200,000,000 in the monthly average. Other expenditure would seem to have been around $75,000,000 monthly, so that Dr. H. H. Kung will have to provide for an aggregate revenue of $275,000,000 to meet current expenditure on war and peace items. Chungking's genuine revenue from taxation, Customs, government enterprises, etc. of late months has been somewhat less than $100,000,000 per month, so that some $180,000,000 or $190,000,000 had to be borrowed every month. New domestic bond issues, designated alternatively as military supply loans or as recovery loans, during 1939 amounted nominally to $300,000,000 every two months and provided cover for the bulk of the war deficit. Foreign credits and donations covered the remainder of the deficit. The National Government thus managed, though precariously, to make both ends meet financially.

It is approximately within the limits of the above figures that Free China will have to carry on, in budgetary matters, in 1940. With the war going on, there are no prospects of genuine revenue reaching expenditure, although there seem to be possibilities of substantially increasing such revenue by means of stronger taxation of big landed property. Half or more of Free China's expenses will have to be covered through the flotation of domestic loans. Probably something will be done to make some of the new loans more attractive to the public. The bulk of the loans, however, will have to be taken up by the Chinese banks, and the Government banks will have to increase correspondingly their note issue, in accordance with a continuously upward movement in the level of prices for all sorts of foreign as well as domestic commodities. The Chinese banks, their resources and the general situation duly considered, should be able to digest the new loans. Any substantial new foreign loan, of course, would greatly alleviate the situation. A foreign loan of U.S.$200,000,000, for instance, would be sufficient to provide the National Government with all the war funds required for a whole year. Negotiations for additional foreign loans are at present going on, though it is unlikely that so large an amount will be forthcoming.

Chinese national currency, at the exchange rates at present prevailing in the open markets, appears to be comparatively well defended. Shanghai valuation of national dollars may decline after Chinese New Year, but foreign exchange rates in Free China need not necessarily follow suit. Free China's balance of payments during the past six months has been well maintained, and had not the Chinese Government banks in the first half of 1939 spent huge amounts of foreign exchange upon Shanghai, the banks would enter 1940 with larger exchange funds than they were able to show on New Year's Day of 1939. The foreign exchange rate of the Chinese national dollar has declined so strongly that the present note issue of the Chinese Government banks need not exercise further pressure upon that rate. The total Chinese note issue on New Year's Eve 1939-40 will be around, or slightly above, $3,000,000,000 which at current Shanghai rates equals some U.S.$250,000,000. There continues to be behind this note issue an exchange coverage which is substantially higher than the coverage which Japan can provide for her yen circulation, not to talk of the worthless puppet currencies circulated under Japanese auspices in occupied China.

China's War vs. Europe's

This cartoon by Herblock contrasts activity on China's war front with strange inaction on European frontiers—excepting Finland, of course.

The extension and improvement of Free China's foreign and inland communications and transportation is economically the most important problem next to that of domestic war finance. All the more important seaports on the South China coast have been either captured or cut off by the Japanese, and the minor ports may be lost or become useless as well. In these circumstances it would not appear reasonable for Free China to try to build up another substantial foreign trade via the small ports which continue to remain under the National Government's control. For the remainder of the war, Free China has to rely chiefly upon overland communications. The fall of Nanning has not yet interrupted the Lungchow transport route. Via Lungchow, over

roads which spread in four different directions, foreign supplies continue to pour in large volume into Free China. Nanning may yet be taken back by the Chinese, but war always had and continues to have its hazards, and the Japanese may be able to hold Nanning and penetrate to Lungchow. That would leave Free China only the Haiphong-Kunming Railway, which now is to be doubled by a motor road from the Indo-China border to Kunming; the Burma Road, which is being partially doubled by a railroad under construction between Kunming and Hsiakwan; and the various northwestern routes into Russian territory. This is not much, but might be sufficient for Free China's needs of foreign transportation if inland communications are further improved.

Delivery by Horse

Photo by Thomas Kwang

This is not the Chinese version of Paul Revere's famous ride, but a picture of a telegram delivery messenger in Chungking. Messengers mounted on sturdy ponies today deliver telegrams in areas on the outskirts of the wartime capital. The system was lately introduced.

Apart only from the Burma Road, the foreign communications of Free China at present appear to be in good enough shape to effect all the foreign transport required, and to carry into, as well as out of, Free China much larger supplies than actually are being carried now on these routes. The major problem at the moment appears to be a rationalization of inland transport routes and services within the area situated between Kunming, Lanchow, and Kweilin. Treatment and servicing of motor vehicles requires great improvement; military and civilian motor services must be better co-ordinated; profiteering on national through-communication on the part of local and provincial authorities and privileged circles will have to be abolished. Many commendable measures in those directions have been taken during the past few months and will bear fruit in the year to come. American transportation experts are just now at work to bring about further improvements.

The foreign trade problem of Free China is one mainly of transportation. If the aforementioned improvements in overland traffic materialize, the provinces under the National Government's control will be in a position to strongly expand their exports, and those exports will permit an increase in imports of consumption goods. The present Free China situation is characterized by an over-supply in many untransportable export commodities, while there is in many regions an enormous shortage in foreign and Shanghai industrial products for general consumption. This paradoxical situation can be relieved only by better communications.

Industrialization in Free China continues to advance at a pace which is slow in the light of requirements, but which is rapid when compared with the past. The National Government, as a matter of course, chiefly encourages industries which are of importance, directly or indirectly, for national defense purposes or for the acquisition of foreign exchange. Purely private initiative has a wide open field in the development of industrial production of goods of general consumption, though as yet it does not appear as if everything has been done that could have been done in this field. Certain Shanghai Chinese circles have shown commendable initiative in this direction, and have been rewarded by unexpectedly large profits, but Shanghai as a whole has not yet grasped the enormous industrial potentiality of Free China even during the present war circumstances. In some respects, overseas Chinese from Batavia, Singapore and Penang have shown more industrial enterprise in Free China than Shanghailanders. However, if only the present extent of industrialization in Free China is maintained, the new year will see those parts of the country not only hold out economically, but make further advances in the field of economic development.

Panay Fund "Over the Top," With $1,020 for Orphans

The Panay Memorial Association's Christmas Fund for Chinese orphans, started a few weeks ago by a small group of local American Navy, Marine and Army ex-servicemen, reached a total of $1,020 on Dec. 24, thus more than fulfilling the expectations of the promoters.

On Christmas morning, representatives of the Fund and a few visitors journeyed to the Jessfield district where the St. Faith Orphanage is located, the address being House No. 25, Lane 37, Jessfield Road. Less than a block away there previously was located a notorious gambling resort, known as "Johnson's Garden," which burned down recently. The fact, however, that this area has become the notorious hangout of gamblers, dope dealers, racketeers and gangsters, political and otherwise, has only affected St. Faith's in one way—it has forced her to pay double taxes—to the puppet Ta Tao administration and to the International Settlement. The orphanage, which has been located in a group of one-story, dilapidated buildings, has been too poor to attract the attention of the denizens of the underworld who have given this section of Shanghai the unenviable name of "badlands."

Miss Maud Truxton Henderson, who has operated the mission for nearly 37 years, will apply her portion of the Panay Fund, amounting to $510, for various necessities, including rice and coal, which have become serious problems due to exorbitant prices. One problem which she hopes to solve shortly—providing further funds are forthcoming—is the purchase of sufficient cinders to raise the level of the school play-ground which is now covered by several inches of foul smelling water which failed to drain off following the flood of several weeks ago.

There are approximately 120 orphans in the institution, their ages ranging from a few weeks to 17. Several Chinese women now connected with the institution entered it many years ago with babies which they were unable to support. One Chinese young man, who has assisted Miss Henderson in her work, also entered the orphanage as a foundling. Many of the present-day inmates, including one little blind girl, are the by-products of fighting in the Shanghai district—their parents were killed by Japanese air-bombs in Hongkew and Chapei when that part of Shanghai was practically wiped out in the course of the conflict.

Miss Henderson, who is over 70 years of age, is a grand-daughter of the late Dr. Thomas Henderson, who assisted in the founding of the U. S. Naval Academy at Annapolis, and an uncle, Alexander Henderson, accompanied Commodore Perry when he negotiated a treaty "opening" Japan to the modern world. She attributes her trip to China to stories of this country which she heard in her childhood.

Final contributors to the fund who were responsible for increasing it to the total of $1,020, included the following: Jack Melton $10; H. E. Clark $5; New Ritz $5; Charles Hess $15; L. R. Ramsey $5; Collection in George's Bar $13; C. N. Conway $10; W. D. James $5; "Pop" F. W. Daly $100; Anonymous $47; Gus Berg $20; Mrs. Helen Vongehr $10; L. M. Manor $10., making a total of $235.00 since the last report, which was $785. This raised the grand total to $1,020.00.

The other half of the sum, amounting to $510, will be turned over to the American Advisory Committee of the American Red Cross with instructions to send it to deserving institutions in the interior.

The promoters of the Panay Fund are now considering whether to make it a permanent enterprise, as there are numerous projects concerning the support and education of orphans which are greatly in need of funds. One proposal has been made that the Panay Fund next year be devoted to the support of needy American orphans, who are the offspring of American fathers and Chinese mothers.

Finns Hurl Red Troops Back into Soviet Territory; Moscow Repeats Military Blunders of Japanese

JUDGING by the reports coming out of Helsinki these days—reports, incidentally, which are well buttressed by the observations of neutral correspondents—Dictator Stalin certainly "caught a Tartar" when he decided to invade Finland. When these lines appear in print, the Soviet-Finnish war will be four weeks old. During that period, the Mannerheim Line, Finland's main line of defenses, has not only withstood repeated onslaughts of the Red Army, amply backed up by tanks and other mechanized weapons, but the Red invading troops have suffered severe losses in killed and wounded. Early

Every Caesar a Brutus

Shoemaker in The Chicago Daily News

this week, the Finns claimed to have hurled the Russians back across the frontier eastward from Leiksa and northward from Lake Ladoga and fighting is now said to be proceeding on Soviet territory.

A face-saving communique was issued by the Leningrad general staff on Dec. 23. Soviet Russia never believed she would be able to subdue Finland by *blitzkrieg* (lightning war), for she knew of the many Finnish fortifications and the great difficulties which an advancing army would have to encounter in the form of thick forests, innumerable lakes and an extremely cold climate, the communique said. Another statement, from Moscow, mentioned another "difficulty" with the assertion that Finland was getting aid from the "imperialistic powers"—meaning, Great Britain, France and the United States.

These explanations of the failure thus far of the invasion of Finland appear feeble in the extreme when it is remembered that Soviet Russia has a standing army of some 5,000,000 men, equipped with all the implements of modern warfare, whereas Finland, after mobilizing all her effective manpower, has forces totalling only about 300,000 and that these forces are nearly 10 per cent of the entire Finnish population.

It is difficult to escape the conclusion that Russia committed major military blunders at the very outset—some of them blunders of the type which the Japanese Army committed in China. Russia chose the time of attack, when she could have waited until spring. So that to complain now of the severity of the climate, and advance this as excuse for military failure, appears puerile in the extreme.

No one knows, except Moscow, how many Soviet troops have been employed in the Finnish campaign. In any case, they have proved inadequate for achievement of the objectives set, and, partly in consequence of this, have suffered enormous losses. It is reasonable to assume that Moscow initially miscalculated the strength of Finnish resistance to invasion. Stalin may even have imagined that Finland, in the light of what happened in Poland, would capitulate without a fight as soon as his Red legions moved against the frontier. If so, this was a serious blunder for which the Red Army is paying a terrific price, and for which the Stalin Government is paying in loss of prestige.

Elusive Fish

Parrish in Chicago Tribune

Reports from Helsinki declare that the Red Army soldiers are virtually being driven to the attack by their officers. This may be a purely propagandist statement. Yet there is reason for believing that the morale of the Red troops is not of the best. They are assailing a small country and incurring the bitter hatred of the Finnish population, while the entire world voices condemnation of the campaign in which they are engaged. Having been schooled for years in the idealistic notion that their mission, wherever they may be engaged, is one of liberation, it would not be surprising if the Red soldiers feel keenly resentful at the dastardly role which they must now fill at the behest of the Kremlin clique.

There was an interesting report by *Reuters* from Amsterdam on Dec. 24, stating that Stalin had asked Germany to aid in the Soviet campaign against Finland. He "demanded" four German warships immediately, to assist in the blockade of Finland, the report asserted, but the German naval command, after a lengthy conference, was understood to have refused the demand "point blank."

Speaking before the Sacred College in Vatican City on Dec. 24, Pope Pius XII condemned Soviet aggression against Finland and called down Divine retribution on those who attack civilians, *Havas* reported. He also outlined a five-point program for international peace, as follows:

1. Assurance should be given for the right to live in independence of all nations, small and big, powerful and weak. The will to live of one nation should never impose a death sentence on another.

2. To render such a peace lasting, all nations should

free themselves of the enslaving burden of armaments as well as of the danger that arises from material power, the "tyrannical violator of right." Peace proposals which do not take disarmament into consideration sooner or later will abut in failure. Disarmament must be mutually agreed upon, practical, progressive and spiritual as well as material.

3. In the future reorganization of international life, full account must be taken of the teaching of history and experience, which should serve as guides in the construction of new international institutions.

4. The needs and just demands of nations and peoples, as well as ethnical minorities, should be met, for even though they may not be legal in the light of treaties, they merit study in a spirit of goodwill and attempts should be made to satisfy them by peaceful means.

5. Even the best of rulings will prove imperfect in execution unless the leaders of nations and the nations themselves allow themselves to be permeated with a spirit of responsibility.

His Holiness also sincerely welcomed President Roosevelt's decision to appoint Mr. Myron C. Taylor, former president of the United States Steel Corporation, as his personal representative at the Papal Court. This appointment, he said, would serve to lay the foundation for valuable cooperation in the service of peace.

In announcing the appointment, President Roosevelt made it clear that his decision did not mean restoration of diplomatic relations between the United States Government and the Vatican, which were terminated in 1870. Mr. Taylor, however, who is a prominent member of the International Committee on Refugees, an organization which arose from the Evian Conference in 1938, will have the unofficial rank of ambassador.

Ex-President Herbert Hoover, head of an organization formed in the United States to furnish financial aid to Finland, announced on Dec. 24 that he had cabled a second remittance of $100,000 to Finland to provide food and clothing for the relief of Finnish civilians.

Britain had on her hands the first real mutiny since the war started when, last Sunday, members of the outlawed Irish Republican Army raided a Dublin arsenal and seized large quantities of arms and ammunition. The next day (Christmas Day) trouble flared in Belfast, Northern Ireland, when 60 interned members of the I.R.A. mutinied and set fire to the Berry Jail. The fire raged for five hours. It was started after the mutineers had overpowered three warders and locked them in cells. To the accompaniment of crackling flames as bedding and furniture blazed, the 60 mutineers leaned from cell windows, displayed Republican flags, and sang Republican songs to the crowds gathered in the street. They made a final stand against police and firemen, wielding bottles and boards studded with nails. When firemen turned powerful jets of water on the insurgents, the latter surrendered.

Echoes of the scuttling of the German pocket battleship Admiral Graf Spee, off Montevideo, were heard on Dec. 24 when the 21 American republics sent collective protests to Britain, France and Germany against violations of the American "neutral zone" established by the Declaration of Panama. The same day, Germany delivered a note to the Argentine government, demanding release of the officers and men of the Admiral Graf Spee.

According to a *Reuter* report from Paris on the same date, the German Navy has ordered all German merchantmen immobilized in neutral ports to try to return to the Reich at whatever cost, and a number of these ships, in various ports of the world, are said to have weighed anchor. Commanders of the ships, it was additionally stated, have orders to scuttle their craft if they should be sighted by Allied warships. The German Government, it was further claimed, was risking its vessels in a desperate attempt to gather in as many useful cargoes as possible.

MOSCOW GANGSTER TALKS

"I thank you for your felicitations. I wish my people and Finland's people's government a speedy and complete victory over the oppressors of the Finnish people—over the Mannerheim-Tanner gang." Dictator Joseph Stalin thus characterized the Finnish Government as "gangsters" in a telegram to his leading Finnish puppet, Otto Kuusinen, on Dec. 26. Kuusinen is head of the so-called "Finnish People's Government" which Moscow recently established at Terioki. Stalin's telegram was in response to a congratulatory message from Kuusinen on the occasion of Stalin's 60th birthday.

Grin and 'Bear' It!

The Tribune, London

Nine and a Half Millions Still Unemployed in U. S.

FOR long years, especially during the crisis which followed the stock market crash in 1929, there existed a belief that war was a cure for unemployment. War creates an extraordinary demand, not only for fighting weapons, but for every conceivable commodity, hence a greater demand for labor. So the argument ran.

Adherents of this view should ponder a report issued last week by the Congress for Industrial Organization in the United States, headed by John L. Lewis. It shows that although the steel industry is working at full capacity to fill orders connected with American rearmament as well as war orders for the Allied Powers—with all that that means in the speeding up of production in other industries —there are still 9,500,000 workers unemployed in the United States.

Hopes that war orders will bring about a revival of employment opportunities in the country are exaggerated, the Congress report stated, adding that at best only 2,000,000 workers could hope for re-employment from this source. In other words, there is a huge *structural* unemployment problem in the United States. Technical advancement, which went forward also in the years of crisis, has created a situation in which millions of potentially useful citizens have no hope of a job—except, perhaps, as soldiers.

Closing of Nanning Road Leaves Ningpo as Sole Entrance to Interior of China

The Japanese occupation of Nanning and the cutting of the important Indo-China-Kwangsi-Kweichow-Szechwan roads, leave the port of Ningpo, Chekiang province, located on the southern shore of Hangchow Bay, a short distance to the south of Shanghai, as the only gateway to the vast interior of China which is still open. It should be stated, however, that while Ningpo is still in Chinese hands, Japanese destroyers are stationed outside the harbor and frequently search ships entering or leaving the port.

It is possible, if one is willing to put up with discomforts—and the possibility of being air-bombed—to make the trip overland from Ningpo to almost any point in "Free China," otherwise the vast interior area which is still under the control of the Chinese Government at Chungking.

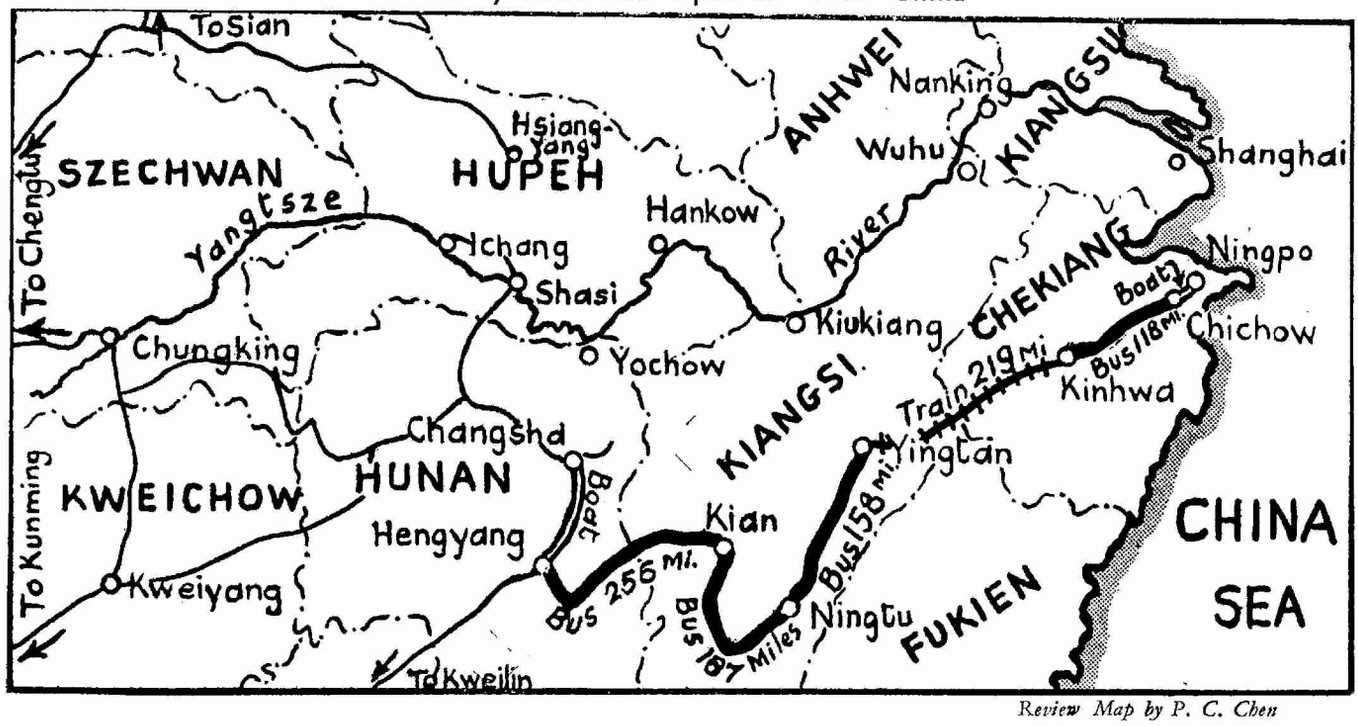
Details of a journey over this route, indicated on the accompanying map, were given by Dr. Philips F. Greene, Acting Superintendent of the Hsiang Ya Medical College of Changsha. Dr. Greene's experiences in making the 950-mile trip by automobile, boat, ricksha in the amazing short time of seven days, were described in an interview in the *North-China Daily News* on Dec. 16. Dr. Greene came to Shanghai to obtain medical supplies for his hospital from the American Red Cross Advisory Committee, which has its headquarters here.

Dr. Greene travelled from Changsha to Siangtan by boat as the motor road connecting the two towns has been destroyed in order to delay a possible Japanese drive in that area. The river itself has also been mined, making it necessary to avoid the main channel. From Luchow, also on the river, Dr. Greene travelled to Hengyang by train—at night in order to avoid Japanese bombers. At Hengyang he was joined by another missionary physician, Dr. William Blackston, and they set out by motor car on the precarious trip to the coast, using gasoline which cost $50 for a five-gallon tin.

An inspection of the map will show how the road skirts the Japanese-garrisoned Yangtsze ports by cutting across southern Hunan and Kiangsi and then striking northeast through the mountains along the Kiangsi-Chekiang border to Yingtan, where a section of the railway is still in operation despite Japanese bombing activities. On several occasions they barely escaped from towns and villages after alarms had been given of Japanese bombing raids. This was the case at Chikow, where Japanese raiders, a few days later, killed Mrs. Mao, divorced wife of Gen. Chiang Kai-shek. According to a report in the *Shanghai Evening Post*, a letter was received here stating that Chiang Ching-kuo, who is General Chiang's eldest son, had hurried to Chikow. There he learned that a Japanese bomb had wrecked the house where his mother lived and her body had been found under several tons of debris resulting from the collapse of the building.

Dr. Greene is planning to return to Changsha over the same route, taking with him a large supply of medicines contributed by the American Red Cross. Dr. Greene is living at the American School while in Shanghai.

The Only Road Still Open to "Free China"



Review Map by P. C. Chen

This map, prepared in the office of *The Review*, indicates the route followed by Dr. P. F. Greene on his exciting trip from Changsha to Shanghai—by boat, motor car and train.

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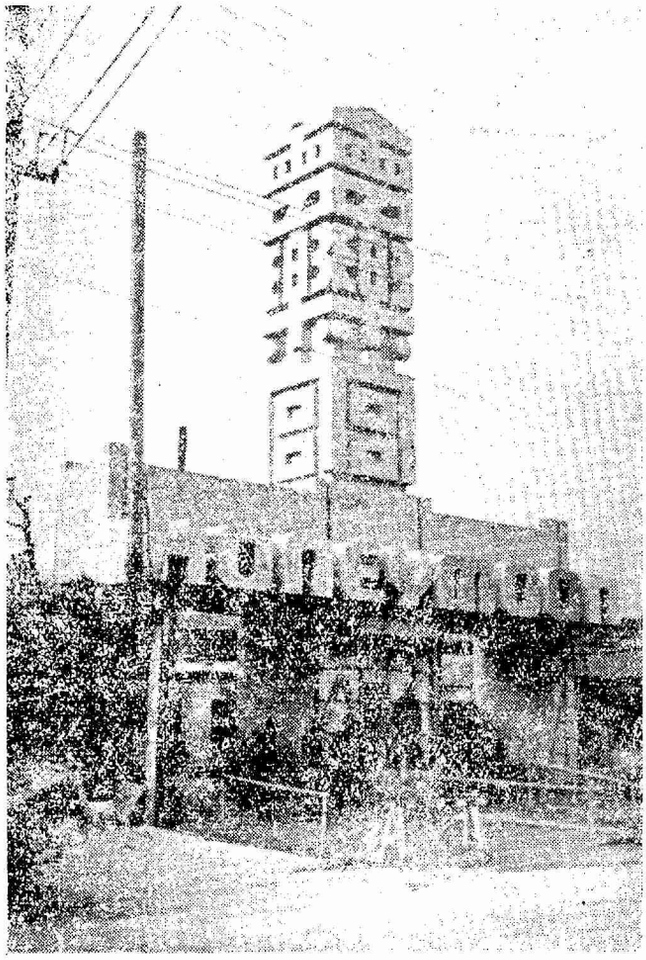
A Japanese bomber scored a direct hit on a Red Cross truck in the vicinity of Nanning, Kwangsi province, recently, resulting in the destruction of more than $1,000,000 worth of quinine. The information was brought to Shanghai by foreigners, who stated that the cargo of quinine, consisting of some 300,000 tablets contributed by the American and British relief funds, was being sent to Dr. James A. Stringham, president of the Chenhsien Presbyterian mission at Chenchow, Hunan. The truck, a two-ton vehicle, was plainly marked with a Red Cross. Travellers from that district stated that Japanese planes frequently fly within 30 feet of the trucks and machine-gun the gasoline tanks, hoping in this manner to set them on fire.

Badlands Gambling Houses Advance To the Great Western Road Area

THE large Japanese-protected, Chinese-operated gambling houses and opium-smoking establishments which sprang up in the Yu Yuen-Jessfield Road area shortly following the Japanese invasion and have flourished in that district for practically two years, have now expanded their activities into Great Western Road and Bubbling Well extension.

One establishment, opened a few days before Christmas, is only a stone's throw from the Settlement border. It is known as "Yu Yuen Club," and is located in an imposing structure adjoining the Bubbling Well branch of the Ford Hire Service. One of the

Not a "Gretna Green"



Imposing front of "Honeymoon," newest gambling and opium-smoking joint to be opened in the outskirts of the International Settlement—at No. 42 Great Western Road in the vicinity of the American Columbia Country Club. This establishment is said to be owned by the proprietors of Hollywood, largest gambling and opium-smoking joint in the badlands area on Yu Yuen Road.

official passes distributed by the new gambling house is shown herewith.

A photograph of the front of another of the new "palaces of sin" which has just been opened on Great Western Road, in the vicinity of the American Country Club, is also shown herewith. This building, like those in the "badlands" area of Yu Yuen, Jessfield and Ave. Haig districts is of the "mushroom" type and was built almost overnight by large gangs of Chinese laborers working in relays throughout the 24 hours. The imposing establishment, with its gaudy neon-illuminated tower and "Honeymoon" sign fronting on Great Western Road, is said to be owned by the same gang which operates the notorious Hollywood gambling and opium-smoking establishment on Yu Yuen Road, not far from the entrance to Jessfield Park, Shanghai's leading open air space and recreation center.

The Hollywood resort, not to be outdone by its offspring on Great Western Road, is also rushing improvements—of a definitely permanent character, in that the flimsy wooden walls are being replaced by brick walls and a more efficient heating system is being installed. The opium-smoking divans, previously consisting of crude benches and separated from the gaming rooms by cheap curtains, are also being rebuilt in more luxurious manner. The price of opium, unlike other Shanghai commodities, has not been increased and remains at $1.20 a "pipe," or about 10 cents in American money for one smoke. The attendants in most of the divans are little Cantonese girls who are adepts at cooking the opium and arranging it in tiny pyramids or capsules in the bowls of the pipes.

In addition to the large Chinese gambling houses recently established on Great Western Road, it was also reported that a large foreign-operated establishment which previously occupied an apartment on Bubbling Well Road (within the International Settlement) had reopened, also in the vicinity of the American Country Club.

Great Western Road, like the other thoroughfares in that area upon which are located Japanese-protected gambling and opium-smoking establishments, is a "Settlement-controlled-and-patrolled" street, but thus far no steps have been taken to block the entrances of the joints. This, however, has occassioned little surprise as the Settlement authorities have taken no action against the "Asia Club," one of the largest and most notorious of the Japanese-protected establishments which is located on Gordon Road, entirely within the International Settlement. The resorts are all said to be paying taxes to the finance department of the Settlement Administration.

While much of the time and attention of the First and Second Special District Courts in the International Settlement and French Concession are occupied by cases resulting from the embezzlement of funds on the part of clerks and shop-assistants who have lost their money in the gambling houses, there has as yet been but one case involving the prosecution of operators of the resorts. In that case the charges were instigated by the Japanese authorities, but no explanation has been offered as to why this particular house was selected for prosecution when some twenty others are permitted to operate without interference.

It was reported in Japanese newspaper circles last week that the two leading Japanese "protectors" of gambling and opium dealing and smoking establishments in the badlands area are named Sasaki and Takenoka, both of whom allegedly were born in the United States, Sasaki being from California and Takenoka from Texas. They are said to be members of the Special Service Section of the Japanese Army, who have been assigned the job of promoting and protecting gambling and opium-smoking in the Shanghai district.

One of the largest establishments in the badlands area, second only to Hollywood, and known as "Johnson Garden and Stadium Ballroom," located on a lane connecting with Connaught Road, was burned on the night of Nov. 26. The fire was thought to have been of incendiary origin. This establishment offered, as an added inducement—to opium smoking, gambling and a cabaret—a nude show!

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The final scene of a Shanghai tragedy was enac[illegible] in the First Special District Court on Dec. 24 when Chan[illegible]ne-fei, 22-year-old clerk in the cashier's office of the Park H[illegible], was found guilty of embezzling $43,000 of the Hotel's money and was sentenced to three years' imprisonment in the Municipal jail. All of the money, with the exception of $167 found on his person at the time of his arrest, was lost at the roulette and "chuck-a-luck" tables of the Asia Club, 65 Gordon Road, Hollywood Garden on Yu Yuen Road and other establishments in the vicinity. It was brought out at the trial that young Chang had taken money and certificates handed him for deposit to the Hotel's account in the Joint Savings Bank's branch on the first floor of the building and had turned in faked

This is a reproduction of a typical pass issued by a "badlands" gambling house. It contains the name and address of the resort with the number of the pass and a blank space for the name of the holder. In this case the pass was issued by the "Yu Yuen Club" recently opened at No. 15 Huping Road, only a few steps from the Settlement boundary at the end of Bubbling Well Road. This house was one of three opened in this area during the Christmas holidays.

receipts from the Bank. He stated that his defalcations had started with $300 and had steadily increased until he had stolen $43,000 of the Hotel's money. As he was unable to return any of the money he also faces a civil suit for $42,833, which probably will lead to an extension of his imprisonment.

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There was an incident in another gambling place, known as "Jessfield House," on Sunday night, Dec. 3 which had embarrassing repercussions in high Japanese Army circles. According to the account in the Shanghai *Evening Post*, two customers of the place who had lost considerable money drew their revolvers and proceeded to shoot up the joint in realistic western movie fashion. Chinese police employed by the local Japanese-supported Ta Tao municipal administration, surrounded the joint and after considerable shooting succeeded in rounding up the two "outlaws" who were responsible for the disorder. The men, however, were quickly released when it was discovered that they were Japanese Army officers; later a special contingent of military guards was thrown about the premises, which was compelled to remain closed for several days. The Japanese officers were said to have lost between $3,000 and $4,000 before they began shooting.

Jessfield House is located behind the Welton Cabaret, another notorious badlands joint where two of Wang Ching-wei's henchmen were murdered last week.

What a Birthday!

DICTATOR Stalin is as fond of orders and titles as Field-Marshal Hermann Goering is of medals and decorations and snappy uniforms. When he celebrated his sixtieth birthday last week, he had the Supreme Soviet create for him the special title of "Hero of Socialist Work". That, of course, was not enough, so he had conferred on him the "Order of Lenin" as well—despite the fact that the last act of Lenin's life was to break off all relations with the present Fuehrer of all the Russians because of his "rudeness and disloyalty." For good measure, and because there is no sphere of human endeavor in which Stalin does not like to shine—even if only by reflection—the Kremlin boss also had himself elected an honorary member of the Soviet Academy of Sciences.

Among the congratulations which Stalin received on attaining to his three-score years were messages from Reichschancellor Hitler and Reich Foreign Minister Von Ribbentrop. These, the German *Transocean* agency informs us, were given first place in the Soviet press. Among others prominently displayed was a message from General Chiang Kai-shek. If there was a message from Mussolini, it was not mentioned. Quite a birthday, anyway!

Replying to Gen. Chiang Kai-shek's birthday greetings, Stalin sent a telegram in which, carefully avoiding reference to Japan, he said: "I wish you complete victory over China's foes." In reply to Von Ribbentrop's telegram, he said: "The friendship of the German and Soviet peoples is cemented by blood and there is every reason to believe it will be lasting." Perhaps, perhaps!

China's New Vitality—the Mass Movement

BY C. Y. W. MENG (孟長泳)

THE war of resistance against the Japanese invasion which China has been fighting so heroically for more then two years has brought about an epoch-making development in China's modern history—the growth of Chinese national consciousness and rapid development of the mass movement.

Before the outbreak of hostilities, China was far from possessing a national consciousness adequate for the modern age. The reasons for this are not far to seek. The continental expanse of her territory, the lack of efficient means of transportation, an agricultural economy with its small, self-sufficient units, the high percentage of illiteracy and many other factors combined to produce this situation.

But today, it is materially different. To "organize and train the people for national salvation," to "tap the nation's vast reservoir of manpower," to "build with our flesh and blood a new Great Wall for national defence" are some of the most popular slogans which explain the new situation. As a result of the untiring efforts of the Chinese leaders and the nation-wide campaign, there has developed a national as well as political consciousness among the Chinese masses during the past few years.

Important Social Legislation

In order to know more about the Chinese mass movement, we have to study more the social legislation of the past few years. As early as 1933, the Chinese authorities had already taken steps to promote the mass movement. In February, 1933, the former "Resolution for Directing the Mass Movement" was revised by order of the government in order to promote the mass movement and prepare the people for resistance against the enemy and for the national reconstruction. The first part of the new Act relating the direction of the mass movement provides the following principles:

1. To increase the knowledge of the people and to strengthen their faith in self-defense.
2. To strengthen the organization of the masses, to promote the local self-control system and to lay the foundation of the democratic form of government.
3. To urge the people to work hard in production and to develop the national economy.

Another part (Part 4) of the same Act stipulates more in detail the direction of the mass movement during the national crisis, and lays down the following activities during the period of resistance:

To direct the people to start mobilization and to participate in anti-aggression activities.

To teach the people more about self-defense, and to enable them to participate in more organized and planned resistance.

To direct the people in the war zones as well as non-war zones in taking up practical activities of various kinds.

To direct the people and public bodies in organizing Peace Preservation Corps for the maintenance of local peace and for the assistance of the regular armies in their advances.

To direct the local people to promote the use of national products and to work hard in economic self-defense.

To direct the people to assist the government in taking relief measures.

To direct the seamen and railway men to do their ultimate best to increase efficiency and to protect steamers, dockyards, workshops and locomotives.

To employ the most effective means to mutually cultivate better understanding and to communicate information between the Party (meaning the Kuomintang), government and the people, so as to accomplish solidity in taking wartime measures.

To direct the people and public bodies to form various organizations to take up special activities, such as comforting the soldiers fighting at the fronts, soliciting contributions and other voluntary activities.

Since the outbreak of the war in China on July 7, 1937 up to March, 1938, many other regulations relating to mass organization have been promulgated. Among them, I may mention "An Outline for Directing the Activities of the Masses by the Central and Local Tangpu (Kuomintang headquarters) During the Emergency Period." This Regulation empowers the National Government and the National Military Affairs Council to direct all the activities and self-defense measures of the masses.

The mass movement in China received another great stimulus when, in March, 1938, "An Outline for the Resistance Campaign and National Economic Reconstruction" was adopted by the Congress of the Kuomintang and later approved by the People's Political Council. Provisions which deal with the mass movement read as follows:

"The people throughout the country shall be organized into occupational groups, such as farmers, laborers, merchants and students. The principle shall be: From each according to his ability. The rich shall contribute money, and the able-bodied shall sweat. All classes of the people shall be mobilized for war.

"In the course of the war, freedom of speech, freedom of the press and freedom of assemblage shall be fully guaranteed to the people, provided they do not contravene Dr. Sun Yat-sen's revolutionary principles or the provisions of the laws.

"Refugees from the war areas as

(Continued on page 181)

Chinese Said Closing in on Nanning; Japanese Deny Recent Victory Claims

WHILE Chinese reports telegraphed from Chungking on Christmas Day gave optimistic pictures of the situation on the various China fronts, particularly Kwangsi where Chinese troops were said to be closing in on Nanning preparatory to a strong thrust designed to recapture that city, a flood of Japanese reports disseminated through the *Domei* agency has given contrary views of the situation.

On Dec. 23, the Japanese Army spokesman at Nanking accused the Chinese command of circulating false propaganda through foreign news agencies regarding mythical Chinese victories in Kiangsi, Honan and Kwangsi.

That Winter Offensive

Reports from both Chinese and Japanese sources have spoken of a Chinese "winter offensive," but in the usual contradictory fashion. The Chungking radio station, despite reports to the contrary in the Chinese press, denied that any such offensive had been undertaken. A *Domei* report from Hankow on Dec. 23 said that Gen. Chiang Kai-shek ordered this denial in order to cover up the failure of the offensive. The same day, in a *Domei* dispatch from Tokyo, field dispatches asserted that Gen. Chiang had ordered front-line commanders to retreat and reorganize their forces following the failure of the winter offensive.

By way of adding to the confusion on the subject, the *Sin Wan Pao* on Dec. 23 quoted "a Japanese report from Hankow" which allegedly stated that the Chinese "general winter counter-offensives" on the southern and northern banks of the Yangtsze were making steady progress, while Japanese forces were making preparations for a general attack on Chinese first lines.

General comment on the military situation was forthcoming from the *Chinese-American Daily News*, which made the prediction that China would win the "final victory" before the end of 1940. Recent Chinese victories, the paper said, indicate that China's renewed military potency points to the success of her "final offensive."

Sanguinary Encounters

A *Domei* report from Hankow on Dec. 26 said that Japanese forces were engaged in sanguinary encounters in areas northwest, south and southwest of Hankow, having taken the initiative against Chinese troops massed for a winter offensive in three Central China provinces (Hunan, Kiangsi, Hupeh). Chinese dead alone had totalled 15,000 in the course of a week, it was claimed.

Two days earlier, a *Domei* dispatch from Hankow said that Japanese forces had crushed a Chinese winter offensive in the areas around the Wuhan cities, inflicting on them losses which included nearly 10,000 dead.

Major interest has continued to be focussed on the campaign in Kwangsi province. A maze of contradictory reports makes it almost impossible to weigh up the situation with any accuracy. The Chinese claim to have advanced to a point 13 miles northeast of Nanning. Their reports are couched in language intended to suggest that recapture of the strategic city is more or less imminent, for other Chinese forces are said to be advancing on the city from other directions.

The local Japanese military spokesman denied that Japanese forces in the vicinity of Nanning had been encircled. Japanese troops, he asserted, were not only resisting Chinese counter-attacks in southwestern Kwangsi, but were making progress toward certain objectives which he did not name.

At the Indo-China Border

On the afternoon of Dec. 20, according to a *Domei* message from Hanoi, Japanese troops operating in Kwangsi reached the border of French Indo-China when Chennankwan, frontier city astride the Chinese supply route into Kwangsi, fell into their hands. The commander of the Japanese detachment which entered the city

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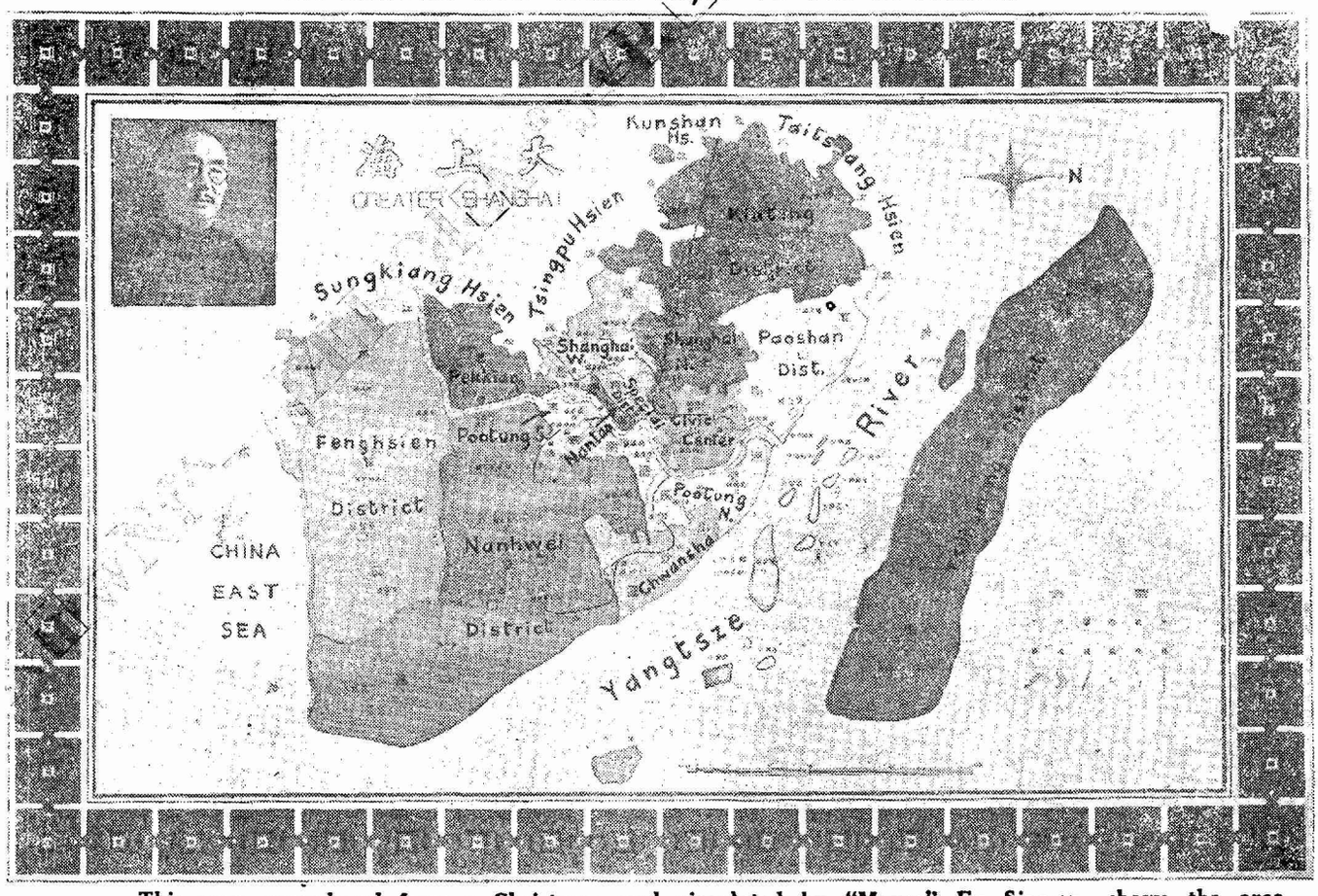
The Bailiwick Over Which Mayor Fu Siao-en Presides



This map, reproduced from a Christmas card circulated by "Mayor" Fu Siao-en, shows the area controlled by the puppet "Special Shanghai Municipality." It is interesting to note that the International Settlement and French Concession are combined and shown as a "Special District."

U.S. Not to Invoke Duty Law Against Japan; Chungking Declared Shocked

THERE will be no economic reprisals invoked by the United States against Japan when the American-Japanese Treaty of Commerce and Navigation, signed in 1911, expires on Jan. 26, 1940, according to reports from Washington and Tokyo late last week.

A *United Press* dispatch from Washington on Dec. 23 said that the United States had waived the use of one possible economic penalty against Japan by a decision not to invoke the import duty law of 1828, which provides for a special 10 per cent import duty on goods brought from countries which have no commercial treaty with the United States.

The 1828 law was suspended by President Grant, by special decree, in 1872 and has since been invoked only once—against Nazi Germany.

Grew Gives Assurances

The same agency reported from Tokyo that the American Ambassador, Mr. Joseph C. Grew, had given general assurances to the Japanese Foreign Minister, Admiral Nomura, on Dec. 22, that normal trade between Japan and the United States would be continued for the time being after Jan. 26. It was emphasized, however, that Mr. Grew neither made definite commitments nor advanced any concrete program for future trade relations.

The general assurances he gave were understood to be a response to Admiral Nomura's request that some indication of America's attitude be given before Christmas and before the Japanese Diet convened, also in order to assure Japanese business circles before the lengthy New Year holidays.

Chungking Said Shocked

The assurances given by Mr. Grew caused undisguised satisfaction in Japanese business circles, *Domei* reported, at the same time crowing over the discomfiture allegedly caused in Chungking by the more amicable note in Japanese-American relations. Political circles in the Chinese capital, according to a Hongkong report carried by the Japanese agency, were greatly disappointed by indications of improving Japanese-American relations as a result of Japan's expression of desire to respect American interests and plans to reopen the Yangtsze, and were shocked severely by the growing prospects of a new trade agreement between Japan and the United States.

Japanese-American parleys are now proceeding both in Tokyo and Washington. Admiral Nomura, Japan's Foreign Minister, had his fourth conference with Ambassador Grew on Dec. 22 and conversations were expected to continue this week, despite the holiday season. Also on Dec. 22, Mr. Kensuke Horinouchi, Japanese Ambassador to the United States, conferred with Mr. Cordell Hull, Secretary of State, and Mr. Sumner Welles, his assistant.

According to *Domei*, Mr. Hull expressed appreciation of Japan's intention to readjust her relations with the United States and said that questions pending between the two countries should be discussed in Tokyo. Views were also exchanged regarding the question of a new Japanese-American trade treaty, the Japanese agency reported.

Reopening of Yangtsze

Reference to Japan's decision to reopen the Yangtsze between Shanghai and Nanking was made Dec. 22 by a Foreign Office spokesman in Tokyo at the usual press conference. Press messages sent to the United States, especially by American correspondents in Shanghai, expressed doubt as to the practical benefits of a partial reopening of the great China waterway, the spokesman said, adding that he regretted this. Writers of the dispatches, he declared, had doubtless been unduly swayed by circumstances during the past two and a half years when large-scale military operations were in full swing along the river. These circumstances had changed entirely, he said, and would change more when the Yangtsze was reopened up to Nanking.

Some American correspondents, the spokesman continued, claimed it would be more practical to reopen the river as far as Hankow, but the stretch between Nanking and Hankow was not free from attacks by Chinese guerrillas. One such attack, he said, had occurred the day before.

Emphasizing that the Japanese authorities would concentrate their efforts to make the reopening of the river as effective as possible, the spokesman expressed the hope that all broad and practical-minded observers, irrespective of nationality, would not fail to judge correctly the benefits to be derived from the reopening of the Yangtsze.

Building His Ramparts!

Hutton in the Philadelphia Inquirer

Japanese-French Talks on Commercial Pact Begin

Negotiations for revision and renewal of the commercial agreement between Japan and France, which expires Dec. 31, were started in Paris last week, according to *Domei*. If the negotiations are successful, it was stated, Japan will be provided with a large silk market in France and will be able to purchase coal and iron from French Indo-China.

Resignation of Nippon Cabinet Demanded by Group; Tokyo Business Leaders Want China War Ended

IS Japan facing another cabinet crisis? Indications of such a possibility are by no means lacking. Last year at this time, the Konoye Cabinet, owing to the failure of its peace intrigue with Wang Ching-wei, was tottering to its fall. Now, the lack of concrete achievements of the Abe Cabinet in both domestic politics and international relations is causing growing dissatisfaction in Japan.

As indicated in a *United Press* dispatch from Tokyo, an agitation for the overthrow of the Abe Cabinet is now on foot. The Jikoku Doshikai, an independent political group including among its members some Diet insurgents, last week passed a resolution demanding the resignation of the cabinet on the ground that it has followed a "vacillating policy which is resulting in the loss of the nation's confidence."

Cabinet Meeting Called

To check the mounting national discontent, Premier Abe summoned a cabinet meeting on Wednesday of this week to discuss the government's policies toward Great Britain and America, pending issues between Japan and the Soviet Union, and the projected establishment of a new central government of China. Disposal of the China conflict and national unity in Japan were also among the topics on the agenda. What decisions were reached, if any, has not been made known.

Meanwhile, as the Diet resumed its session this week, an intense struggle between the militarist elements and the parliamentarians was expected to develop. Although the Minseito and Seiyukai parties apparently are willing to give the Abe Cabinet a further extension of life, and are stated to have decided to support the government's policy in disposing of the China conflict, all the political parties, according to a *Reuter* message from Tokyo, are of the opinion that the time has arrived for the restoration of party government. During the session, it is expected that they will do their utmost to prove to the nation their ability to govern. In view of so many vital domestic and foreign issues demanding clarification and settlement, brisk debates are likely to be staged in the Diet.

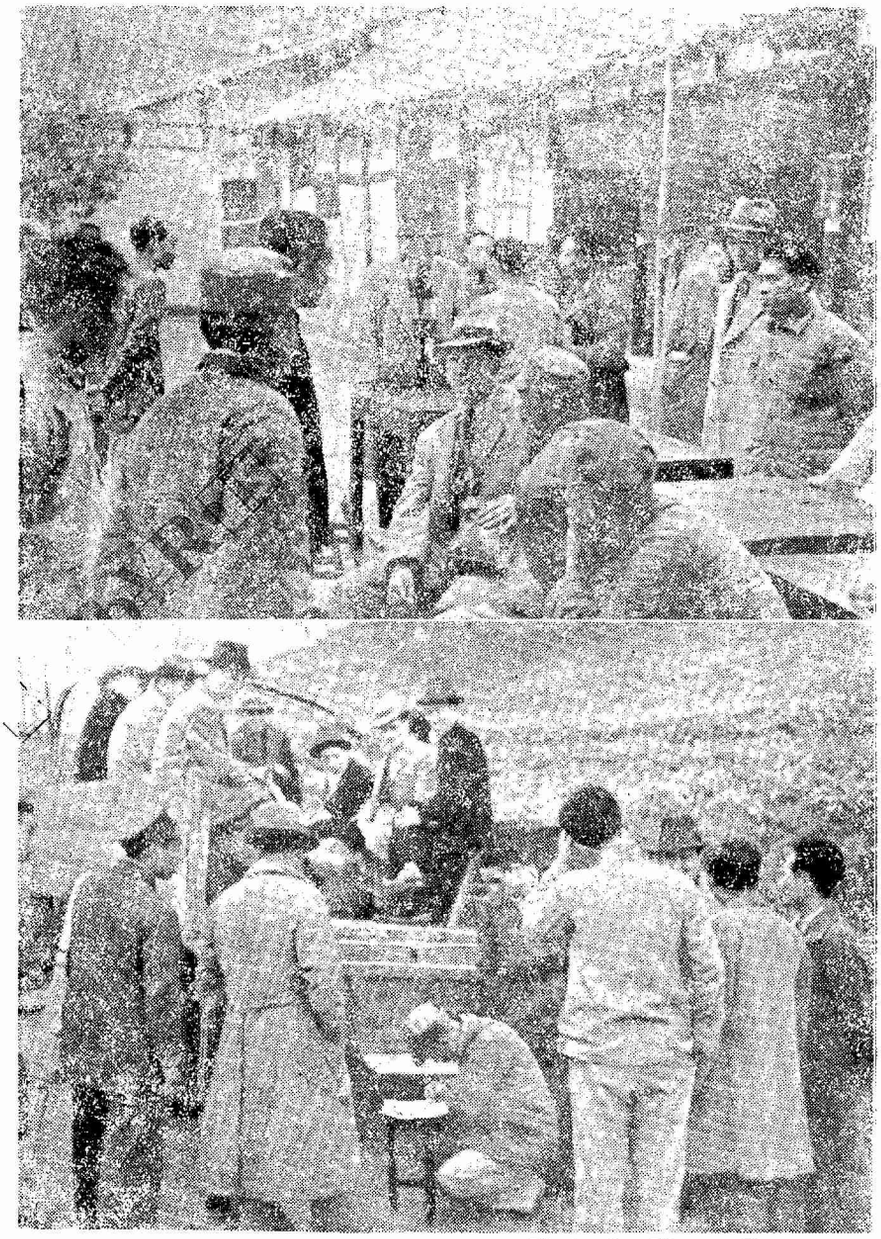
Businessmen Restive

In spite of Premier Abe's plea for national unity, more than 600 business and political leaders held a meeting in Tokyo last week, urging the final disposal of the China campaign and at the same time demanding the suppression of Communism. The meeting, which was attended by a number of prominent politicians, including the former Foreign Minister, Hachiro Arita; former Communications Minister, Matajiro Koizumi, and Gen. Jinsaburo Mazaki, adopted five resolutions, which called for:

1. Suppression of all movements advocating cooperation with the Soviet Union.
2. Government attention to the recent activitives of the Communist Party.
3. Re-examination of the so-called "renovation policies."
4. Insistence on a keen watchfulness of underground campaigns arising from fears that a complex problem will develop between Japan and the United States.
5. Achievement of objectives in China.

While the Abe government is beset with many thorny domestic and foreign issues, *Domei* in a message from Hongkong claimed that progress in negotiating for readjustment of Japan's relations with America and Russia was causing serious concern in Chungking government circles. Chungking was said to be especially worried over Foreign Minister Nomura's communication to the American Ambassador, Joseph Grew, to the effect that Japan was preparing for reopening the Yangtsze to third-power navigation. In spite of the

Newsmen Visit Japanese Prisoners of War



Photos by Thomas Kwang

James R. Young of the International News Service, James L. Stewart of Associated Press and several other foreign correspondents recently were permitted to pay a visit to Japanese prisoners of war in Chungking. Young spent more than ten years in Tokyo, while Stewart was born in Dai Nippon. Both were able to converse with the prisoners in their own language. As the correspondents were about to leave, one of the prisoners halted their truck, asking them to wait for a letter which he wanted them to take to his uncle somewhere in Japan. This prisoner is seen in the lower view, hastily scribbling a note as he stoops over a small table on the highway.

growing anti-Communist sentiment in Japan, *Domei* anticipated the early conclusion of a new fishery treaty with Moscow. As a result of the recent Japanese diplomatic moves, *Domei* alleged, Chungking's concern lest further American and Soviet assistance cease has been increased.

Nippon Politicos Here

Preaching the gospel of Sino-Japanese cooperation for the development of Asia, a number of Japanese politicians are now touring Central China. Remarking that China lacks a revolutionary spirit, Fusanosuke Kuhara, president of the Seiyukai Party, now visiting in Nanking and Shanghai, declared that harmony will be naturally restored between China and Japan if the Chinese people revert to the spirit prevailing in the revolutionary days of 1911. He claimed that he was among the Japanese who had assisted Dr. Sun Yat-sen's movement for the overthrow of the Manchu Dynasty and intimated that he would aid Wang Ching-wei to overthrow of the Chungking government. Said Mr. Kuhara, "We entertain great expectations of Mr. Wang's movement for peace and national salvation." Reiterating the Konoye pledge, Mr. Kuhara stated, "We are not seeking such material things as land or indemnities. We are anxious to see realized the ideal of universal brotherhood. The peoples of Japan and China must guarantee the stability of East Asia by firm cooperation." Mr. Kuhara's sugar-coated words and altruism notwithstanding, his idea of Sino-Japanese cooperation, like that of Prince Konoye, is merely a cloak for Japanese domination of Asia and perhaps ultimately of the world. Unfortunately for Mr. Kuhara and other Japanese politicians of his mind, such slogans are entirely futile as far as the Chinese people are concerned.

Mr. Kuhara is accompanied on his tour by Seijiro Yoshizawa, former foreign minister; Kiroku Oguchi and Teichi Nishikawa, members of the Diet.

Sympathy for Japan

Gathering materials for a book on the spirit of Shintoism, Dr. Joseph W. T. Mason, an American, was quoted approvingly by the Japanese daily *Tairiku Shimpo* in Shanghai, when he allegedly remarked that the Japanese spirit of *Musubi* (self-perfection) should be transplanted into the new China and that cooperation between Japan and China was necessary for the development of Asia. Dr. Mason regretted that the way to the establishment of a new central regime in China was beset with many difficulties, but he believed that the Japanese spirit of *Musubi* augured well for the future.

While Wang Ching-wei has remained reticent during the week, his name was linked with a number of incidents in Shanghai. Two Wang supporters, Shen Ming-chu and Ho Hang-ken, were shot down by a group of gunmen on the morning of Christmas Day at the Welton Cabaret on Yu Yuen Road, where they had been enjoying themselves. Both victims were fatally wounded.

According to the Japanese daily *Tairiku Shimpo*, Wang's loss of two men was apparently made good by the acquisition of a new aherent, Chen Hsien-chang, formerly member of the Tachung News Agency staff and secretary of the Chinese Editors' Union in Shanghai. Chen was previously reported to have been kidnapped by pro-Wang agents on Nanking Road, but the Japanese journal asserted that this was not the case and Chen had voluntarily joined the Wang peace movement, explaining that he had become "disguested" with the anti-Japanese policy of the Tachung News Agency. According to the Japanese paper, members of the Chinese Editors' Union are considering "measures" regarding the defection of Chen.

100,000 Autographs

Although Wang Ching-wei's puppet government is still a castle in the air, Tokyo restaurant employees feel very enthusiastic about it. According to a *Domei* dispatch, a 13-foot flag bearing the autographs of 100,000 restaurant workers and 100,000 stitches by as many women will be presented to Wang on New Year's Day. The presentation is to be made by Gen. Toshizo Nishio, commander-in-chief of Japanese forces in China.

Miss Mei Kan-wen, daughter of Mei Sze-ping, minister of organization of the "Orthodox" Kuomintang and leading supporter of Wang Ching-wei's peace movement, has issued a public statement denouncing her father as a traitor. Miss Mei is now studying at a school in Wenchow. The stepmother of Miss Mei, who is also in Wenchow, is said to have announced in the press that she has disowned her husband. It is interesting to recall that a similar statement of condemnation was issued last year in Hongkong by a daughter of Wang Keh-min, head of the Peiping puppet regime.

Lung Yun's New Post

Gen. Lung Yun, chairman of Yunnan, was appointed last week to the concurrent post of director of the Generalissimo's field Headquarters at

Motion Picture Stars in Chungking

Photos by Thomas Kwang

Miss Su Siu-wen (top left) is considered the most accomplished motion picture actress in Free China. She migrated to Chungking from Shanghai and is now playing the lead role in a new film entitled "The Good Husband." Lower left, is Wang Shi-tsen, husband of Miss Su, and an ace cameraman, who is shortly going to the Northwest to "shoot" snow scenes for a new film, "Three Fighters." Top right is Miss Chen Yu, who is co-starred with Miss Siu in "The Good Husband." Due to lack of electricity and equipment, most scenes for current films are "shot" outdoors in the sunlight, as seen in the lower right view.

Kunming. Gen. Lung's new appointment was interpreted in Chungking as a significant step towards further consolidation of relations between the Central Government and the southwestern provinces. Meanwhile, Yunnan is taking an active part in the resistance campaign in South China. Three divisions of the Yunnan troops were recently sent to reinforce the Kwangsi front.

While the Hongkong office of the *Domei* agency continued to circulate reports of the spread of anti-Communist agitation in North and South China, the allegation was also made that Gen. Pai Chung-hsi would probably resign from his post as director of the Generalissimo's Southwestern Field Headquarters "owing to failure of his counter-attacking operations in the Nanning area and disagreement with other military leaders." Gen. Li Chi-sen, veteran Kwangsi military leader and former chairman of Kwangtung, was mentioned as the possible successor to Gen. Pai, in case his resignation is accepted by the government.

Chinese Bankers Confer

Another *Domei* dispatch claimed that a conference of Chinese bankers was held in Hongkong during the Christmas holidays. The agenda of the conference was said to have included:

1. The adjustment of wartime finance and the stabilization of foreign exchange.
2. The regulation of commodity prices and promotion of productive enterprises.
3. The adjustment of finances in various provinces situated in the war zones and the formulation of expedient measures for facilitating the circulation of Chungking money in those provinces .
4. Re-examination of the Government's income and expenditure, with plans for increased revenue and economy in expenses.

The conference, it was further alleged, would discuss a plan for the issue of gold unit foreign exchange bonds.

Relief from Britain

Despite war in Europe, the British China Relief Committee in London continues to be able to raise funds. Last week the committee remitted to Shanghai another contribution of £3,000, plus a large consignment of clothing, blankets and medical requirements. The relief fund has now reached a total of £208,398.

Overseas Chinese have contributed up to the present $560,000 for the promotion of the industrial cooperative movement in China, according to a communication from Chungking. The donations received by the C. I. C. included $15,000 from Chinese in the Philippine Islands, $100,000 from one Mr. Lin in Java and two trucks given by Chinese in the Straits Settlements. The trucks are being used in the southeastern district of the C. I. C., which comprises Kwangsi and Fukien provinces.

China's 'Best Friend'

Soviet Russia is China's most reliable friend, declared Sun Fo, president of the Legislative Yuan and recently returned special envoy to Moscow, at a speech in Chungking last week. "Regardless of what happens in Europe and the Far East, Russia will continue to help us in every way." Mr. Sun asserted.

Turkey will soon be represented by a legation in China. Eminali Sipahi, Turkish minister-designate and first envoy to China, arrived at Chungking last week to establish his headquarters there. "The sympathy of the Turkish people is decidedly with China," Mr. Sipahi said, "and they hope China's final victory will be achieved at an early date."

The Minister-designate called on Foreign Minister Wang Chung-hui shortly after his arrival. Arrangements are now being made for the fixing of a date for the presentation of his credentials to Chairman Lin Sen of the National Government.

Concluding a visit to Chungking, the Burmese Goodwill Mission arrived at Chengtu last week-end, in the company of Tai Chi-tao, president of the Examination Yuan. Members of the Mission were given a rousing reception by the Chengtu Municipal Government. A speech of welcome was made by Yang Chuan-yu, Mayor of Chengtu. Replying, U. Ba. Lwin, leader of the Mission, expressed admiration for China's resistance against Japanese aggression. The Burmese visitors were received by Gen. Teng Hsi-hou, pacification commissioner for Szechwan and Sikong; Gen. Pan Wen-hua, pacification commissioner for the Szechwan-Shensi-Hupeh border, and Gen. Ho Kuo-kuang, secretary-general of the Szechwan Provincial Government.

Sino-Burmese Friendship

As a token of Sino-Burmese friendship, a Sino-Burmese Cultural Association was inaugurated in Chungking on Dec. 20. The proposal for organization of the association was made by the Burmese Mission during a reception given in its honor by Gen. and Madame Chiang Kai-shek.

In connection with the visit of the Burmese delegation to Chungking, it is interesting to note that a Burmese politician, Thein Maung, former Burmese minister of Industry and Commerce, arrived in Shanghai last Saturday from an extended visit in Tokyo, during which, according to *Domei*, he interviewed many financial leaders, including Barons Sonoda and Morimura.

Chinese Persecuted in Thai

The persecution of the Chinese in Thailand (Siam) is being continued. Chinese residents in that country are said to be living under a reign of terror similar to that experienced by Jews in Germany, according to Chinese refugees arriving at Chungking from Bangkok. Chinese businessmen and intellectuals are fleeing the country in large numbers. Chinese banks, mills, shops, schools and newspapers have been closed by the Thai government, refugees reported. The anti-Chinese policies of the present Siamese government are attributed by the refugees to Japanese influence and the fact that a military dictatorship has held power in Thailand since the abdication of King Prajadhipok in 1932. Practically all government branches in Bangkok have Japanese advisors, the refugees asserted. The anti-Chinese movement reached its height last July when more than 2,000 Chinese were arrested. The arrests followed the remittance of $1,000,000 to the Chinese Government's war chest by Chinese residents of Thailand.

Four Thugs Arrested

Four assassins responsible for murder of Yi Kwang-yen, late chairman of the Chinese Chamber of Commerce in Siam, are reported to have been arrested by the Bangkok police. The assassins, all Chinese, confessed that they had committed the crime at the instigation of "certain nationals."

Through the initiative of Tan Kehkee, well-known Chinese businessman and newspaper magnate in Singapore, the organization of an overseas Chinese mission to China, comprising some 60 members, is under way, with a view to visiting Chinese fighters at the fronts and refugees at the rear. Large quantities of medical supplies and gifts will be carried by the mission, which is expected to leave for China about March.

A National Overseas Middle School will be established at Kunming at the beginning of next year, it was announced by the Ministry of Education. Liu Shih-hsin, formerly secretary-general of the Chekiang Provincial Government, has been appointed chairman of the preparatory committee for the organization of the institution.

Engineering Society Meets

The 8th annual meeting of the Chinese Engineering Society was being held at Kunming this week. Among those attending was Chen Li-fu, minister of education.

The 24th anniversary of the Yunnan uprising (against the monarchical movement of Yuan Shih-kai) was observed on Dec. 25, in "Free China" as a national holiday. The occasion was also commemorated by Chinese residents of Shanghai, but no ceremonies or meetings were held.

Kweilin, Kwangsi capital, will be raised to the status of a municipality on New Year's Day. Chen En-yuan has been appointed by the Kwangsi Provincial Government as the first mayor of the city.

Japanese Gunboats are Transferred to Puppets

Two Japanese gunboats, the *Yamasemi* and *Kawasemi*, were renamed and transferred to the Public Security Ministry of the puppet Reformed Government (Nanking) at ceremonies at the Kiangnan Dockyard on Dec. 21. The vessels were renamed the *Haisui* and the *Haiching*.

Attending the function were Rear-Admiral Seiichi Iwamura, Chief Japanese Resident Naval Officer; Rear-Admiral Shuichiro Higuchi, Commander of the Japanese Shanghai Area Naval Base, representing Japan; General Jen Yuan-tao, Minister of Public Security in the puppet Nanking government; Mr. Hsu Chien-ying, Chief of the Water Police, and Mr. Fu Siao-en, "Mayor" of Shanghai, in behalf of the Reformed Government.

Rear-Admiral Iwamura proclaimed the transfer of the vessels. General Jen received the ships in behalf of the Nanking Government and then renamed them the *Haisui* and the *Haiching*.

Naval Units Busy On Upper Yangtsze

A nation with a coastline of roughly 2,800 miles, China in pre-war days had only some 41,000 tons of naval ships. Many of them were as old as 30 years, and ordinarily they would have been scrapped long ago. The navy, defeated by Japan in 1894, was allowed to deteriorate. It was not until the National Government came into power that a building program was launched. Some of its newer ships were all built after 1928. The latest one, Ping Hai, a 3015-ton cruiser, which was sunk on September 23, 1937 at Kiangyin by 70 Japanese planes, was completed only a few months before the hostilities broke out.

Against the third largest navy in the world, the small Chinese navy was no match. Given 10 to 15 years and with the strengthening of the coastal defenses, the Chinese navy might have been able to make the Japanese ships wary in launching an attack. As it was, the Chinese navy had to be on the defensive. It withdrew to guard the Yangtsze, and even there it was subjected to terrific losses from which it will take many years to recover. A large number of the Chinese warships, large and, small, were sunk by enemy aircraft. However, the behavior of the Chinese navymen under enemy fire, steady, brave, and death-defying, should be a credit to any naval power in the world.

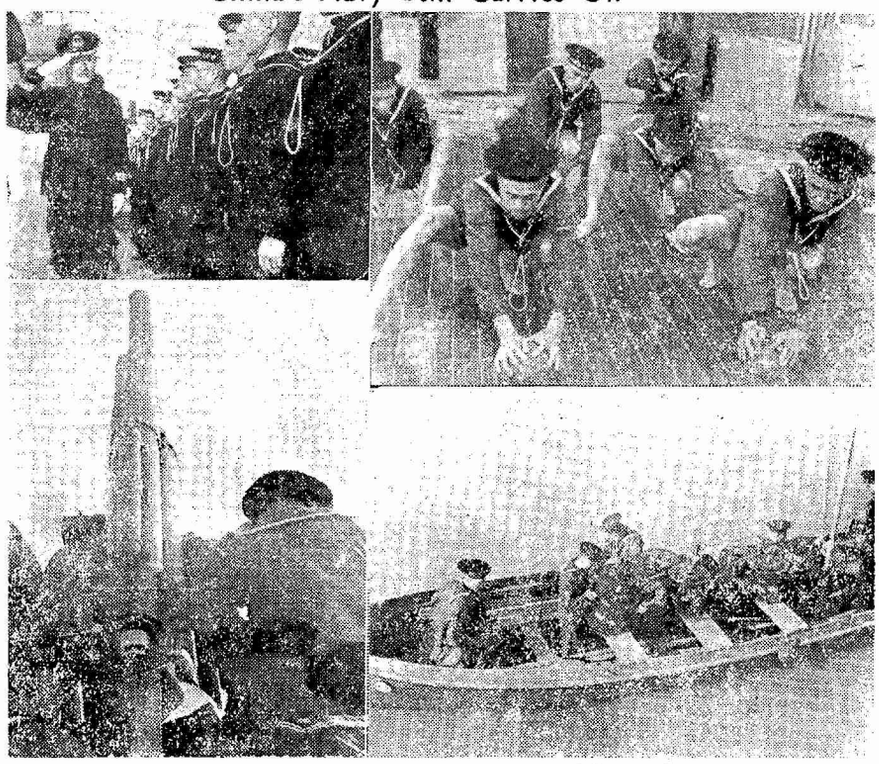
The Chinese naval forces before the war were divided into three squadrons, the First and Second Squadrons and the Training Squadron, manned by about 8,500 officers and men. Some smaller ships were placed in the coastguard service. Then there were two brigades of marine corps, plus two battalions, the guard battalion and the reserve battalion. Many of the officers were trained in the British Navy.

Laying Down Booms

When war broke out in Shanghai on August 13, 1937, the Chinese navy's first move was to sink some old transports on the upper Whangpoo river. This turned out to be a well-calculated step, as it protected the Chinese flank at Nantao. Otherwise, the Japanese would not have needed to land forces near Chapoo along the Chekiang coast in November. Following the construction of the Whangpoo boom, Chinese navymen were busy removing or destroying all buoys, lighthouses and boats, water-marks and other navigation signs below Kiangyin. The next task was to lay a boom across the Yangtsze below the Kiangyin fort by sinking 15 Chinese men-of-war and 20 other merchantmen with an aggregate of more than 63,800 tons. The navymen further reinforced the boom by sinking eight tug boats, 185 native junks and 2,354 tons of stone.

With the fall of Nanking, Chinese navymen built another boom at Matang. As in the case of the Kiangyin fort, the Japanese outflanked the Chinese land forces at Matang on June 26. At this juncture the Chinese navy resorted to the use of torpedo boats until the fall of Hankow. After the fall of Hankow, China transferred her ships to the far west, 1,400 miles from the sea. They are guarding the Upper Yangtsze and at the same time the men are receiving more intensive training.

China's Navy Still Carries On



Photos by Thomas Kwang

These pictures were taken on the Upper Yangtsze, between Ichang and Chungking, where the surviving units of China's navy still perform their duties. The vessels, few in number, are now armed only with anti-aircraft guns and machine-guns, the heavier pieces having been removed for use as field artillery. Top (left) inspection on board; (right) sailors swabbing the deck to clean off blood stains after an engagement with Japanese planes. Lower (left) one of the anti-aircraft guns, and (right) sailors laying mines in the Upper Yangtsze.

German-Jewish Refugees Acting as Strike Breakers

Ten German-Jewish refugees, comparatively recent arrivals in Shanghai, played the role of strikebreakers last week when they took the places of Chinese workers at the China Aluminum Rolling Mills and kept the machines in operation. Some 250 Chinese employees had struck work on Dec. 19 to enforce a demand for an increased rice allowance in view of the prevailing high price of the staple, which makes it difficult for them to live.

Two more Shanghai factories were sucked into the strike maelstrom the same day. Eighty workers of the Dah Tung Rubber Factory struck work, while 150 workers at the China Textile Manufacturing Company, which employs 2,500 workers, ceased work. In both cases, increased "rice money" was demanded.

While the current strike movement is genuine and the spontaneous result of real hardship, a Japanese-controlled organization known as the "China Laborers' Association," with headquarters at 127 Rangoon Road, is known to be trying to pervert and extend the movement, and to make of it an instrument for striking blows at competitors of Japanese interests. The nominal head of the organization is a Chinese named Moh, but the active spirit is known to be an ex-colonel of the Japanese Army now known as plain "Mr. Kubota," who in turn directs the work of a Korean (or Formosan) known as Ling Chih-chun.

S.M.C. Rejects Demands Of Puppet Municipality

Proposals by Mayor Fu Siao-en, head of the puppet Shanghai Special Municipality, envisaging joint S.M.C.-puppet control of the outside roads area in Western Shanghai, were rejected by the Shanghai Municipal Council on Dec. 19, but the door was left open to further negotiation.

Mayor Fu had presented demands to the Council on Nov. 2, in which he sought for his Special Municipality rights of taxation over residents of the extra-Settlement areas and the right to police the extra-Settlement roads. In rejecting these demands, the Council was understood to have suggested creation of a special administration to collect taxes in the outside roads areas and the placing of all revenues collected in a special fund, both the administration and the fund to be jointly participated in by the S.M.C. and the puppets. A somewhat similar compromise was reportedly offered in the matter of policing, a joint system of police control being suggested.

Factors in Japan's Current Rice Shortage

BY YUZO HARA

Editorial Writer of the Tokyo "Diamond"

Translated from the December 1939 issue of the "Koren"

DURING the period from 1920 to 1926 Japan suffered from shortage of rice and was obliged to import a large amount of this key food, as well as wheat and wheat floor. Her rice imports sometimes passed the five million *koku* mark a year. Thus it was that the Government came to encourage the cultivation of rice in Korea and Formosa. But talk of the over-supply of rice suddenly began to be heard throughout the country in 1930, which year marked the advent of the so-called agricultural crisis. There were many who advocated with some seriousness that "the Malthusian theory will not be applicable to this country due mainly to the abundance of rice."

I myself could not subscribe to such extreme optimism on the rice situation and took every chance to stress the need of working out a fundamental rice policy. For, in my opinion, the alleged surplus of rice supply in those days was attributable to the sole fact that on account of poverty caused by the farm crisis, farmers were obliged to sell their crops as soon as possible even at low prices and to curtail their own consumption, and that as a result rice stocks were accumulated excessively in urban districts, thereby dampening rice prices. There was at that time no superabundance of rice, and what actually existed was the excessive supply of rice as a commodity on the markets in consuming centers. This contention may well be justified by the fact that the rice consumption per capita of the population decreased markedly during 1931-33.

Large Feeding Problem

Having only nine hectares of land under cultivation per 100 of her population, Japan must feed the largest number of people with the smallest area of cultivated land in the world. This notwithstanding, she can supply herself with foodstuffs to the extent of 95 per cent. But her high self-sufficiency comes not so much from fertility of the soil and superiority of the farming technique employed, as from the intensive method of agriculture based on abundant use of fertilizers and the peculiar industry of the farmers. Another fact not to be overlooked is that about 20 per cent of Japan's needs has to be supplied from her colonies.

It is common sense that the longer the war is protracted, the more marked will be the decrease in agricultural production, particularly in those countries where land is tilled in an intensive manner, like in Japan. Therefore, the Government should have taken earlier appropriate and effective counter-measures to secure the supply of foodstuffs under the current wartime situation. But the fact of the matter is that the Government has failed in doing so until recently (be it remembered, the third year of the China Incident is now nearing a close), partly because the general public has not yet awakened from the illusion about the surplus of rice above referred to, and partly because Government officials, believing in the effectiveness of their control in any exigency, have been imbued with optimistic ideas.

Curtailment of Consumption

Upon the outbreak of the Sino-Japanese hostilities, I immediately called public attention to the eventual decline of farming production. In August last year, in anticipation of the dislocation of the rice market, I strongly advocated in several magazine articles the dire necessity of curtailing rice consumption through the 70 per cent polishing of rice, the restriction on *sake* brewing, and the use of substitute foods. But both officials and people turned a deaf ear to my proposals. The Government on its part had been engrossed until recently in such helter-skelter makeshifts as the control over rice shipments from Formosa and the establishment of the Dai Nippon Rice Company instead of taking measures to up production. And no effort had been made toward the reduction of rice consumption until the bad harvest this fall in Korea and the extremely slack delivery of rice in Japan proper recently came to attract public attention.

There are many who confuse the short crop in Korea and the western parts of Japan proper with the present stringency on the rice market. Believing that the former alone has caused the latter, they paint a very gloomy picture of the matter. In my view, however, they are going to the extreme, diametrically opposite to the optimism entertained by some people in the days of the agricultural crisis, or during 1930-33. Effects on the supply situation, if any, of the short crop will appear to the fore not until next summer. Furthermore, the home crop is estimated at 64,700,000 *koku*, or an increase of 3,000,000 *koku* over the ordinary crop. Thus considered, factors responsible for the current dearth of rice as a commodity must be found in other than the poor harvest this fall, i.e. in the following circumstances:

1. Because their pockets have been

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warmed markedly due to the current inflational trend, farmers find it unnecessary to sell their rice stocks with haste.

2. Before the recent raise by Yen.5 of the official quotations, as it is generally admitted, rice had been comparatively cheaper than other farming produce and daily necessaries farmers have to buy.
3. In anticipation of further stringency on the rice market, farmers are reluctant to sell their rice stocks.
4. Establishment by village cooperative societies of warehouses prevents the immediate shipment of rice.

Rice Market Stimulated

These circumstances in the villages plus the aggressive purchase by rice dealers in urban districts have naturally stimulated sentiment on the rice market. Farmers were, and still are, disinclined to sell their stocks at the official prices. If, on the other hand, they sell at higher prices, they cannot be immune from punishment. Hence the extreme interruption of rice shipments in these days.

Finding that all of its expedient measures had been of no use to cope with the situation, the Government on November 6 at last raised the official prices from Yen. 38 to Yen. 43 per *koku*. Simultaneously it announced that no further raise would be made during 1940 under any circumstances, and that a bold step like compulsory purchase of rice, whenever necessary, would be taken by the Government. This is indeed a timely action on the part of the Administration, but there is another measure essential for the smooth distribution of rice and the maintenance of the official rice quotations, i.e. compulsory preservation of this key food. Also necessary is drastic absorption of the purchasing power of the general public.

Rice consumption in Japan proper totalled 66,000,000 *koku* in 1932, 70,000,000 *koku* in 1935, 73,000,000 *koku* in 1936, 79,000,000 *koku* in 1937 and 80,000,000 *koku* in 1938. The figure for 1939 is estimated at 80,000,000 *koku*. A study of the rice situation in the past few years shows that home consumption has increased in proportion not only to the increase of population but also to the inflation of currency, i.e. the scope of wartime boom. This again points to the need of encouraging economy in rice consumption and absorbing the surplus purchasing power of the general public even with some compulsion.

Harvest Determines Consumption

Then, it is seen that in any year of bad harvest rice consumption decreases comparatively. With 1935's crop being only 50,000,000 *koku*, consumption in the next year was 73,000,000 *koku*. Supposing we can well reduce our consumption to this level, it would not be out of place for us to estimate our needs for 1939-40 at 77,000,000 *koku*, or 3,000,000 *koku* less than for the preceding year, in view of the natural increase of population since 1936. In addition, rice to the extent of three million *koku* can be saved through such measures as the 70 per cent polishing of rice and the restriction on *sake* brewing; and one million *koku* more can be economized by using barley, wheat and some other crops instead of rice. In this way, the total consumption would be cut down to 73,000,000 *koku*. Although shipments to colonies usually total not more than one million *koku* a year, the figure will have to be doubled in the coming rice year in view of the short crop in Korea. Thus, we have 75,000,000 *koku* as our total needs for 1939-40 and 1,600,000 *koku* to be carried forward to 1940-41. The latter figure will be increased to something like 3,600,000 *koku* by importing (as is actually projected by the Government) rice from Thailand. If the above calculation comes true, that would have to be regarded as a great success. As to the proposed economy in consumption, the bumper crop of barley, wheat and rye and the recent raise of quotations will prove instrumental. Last but not least, I must add that drastic steps for absorption of surplus purchasing power, for instance, compulsory savings, are needed for solving the rice question, as well as all other issues relating to the Government's price control.

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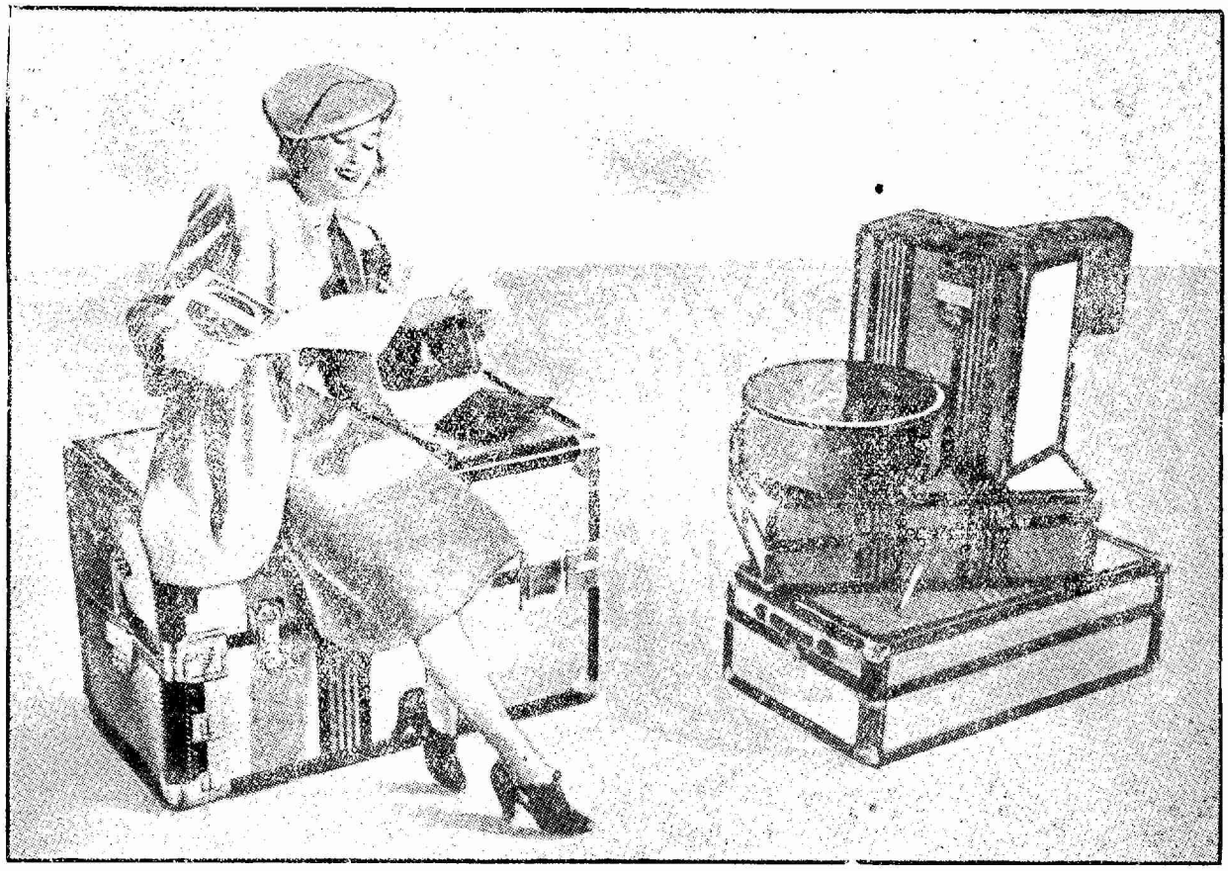

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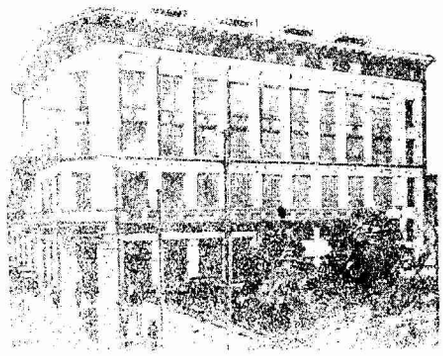

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Political Assassins Kill Woman and Two Men Here

Guns of political assassins blazed in Shanghai again last week-end, claiming the life of a woman believed to have been a political worker for the Chinese Government in Chungking and bringing death to two alleged associates of Wang Ching-wei, deposed Kuomintang leader and leading candidate for premiership in the projected central puppet government for China.

The woman victim was Miss Wu Mu-lan, 49, who was shot and killed by a lone gunman who entered her lodging at Room 13, 431 Rue Brenier de Montmorand on the morning of Dec. 22. The assassin escaped. Several letters found in Miss Wu's room after the killing pointed to her connections with Chungking, it was believed.

The next shooting took place on Christmas Eve outside the Welton Cafe on Yu Yuen Road, in the western "Badlands" district. Unknown gunmen let loose a fusilade of shots as three agents of Wang Ching-wei left the cafe. Chen Min-chu, an officer of the armed guard employed by Wang, and Liu Heng, known as a silk merchant but also understood to be an associate of Wang, were mortally wounded and died shortly after in hospital. The Japanese authorities removed the bodies of the two victims to Hongkew.

Bombs Damage Socony Property at Shasi

Five Japanese planes dropped bombs in the vicinity of the Standard Vacuum Oil Company installation at Shasi, Hupeh, during the afternoon of Dec. 20, smashing doors and windows and cracking ceilings in the office building, the Company reported in a telegram to the American Embassy in Chungking on Dec. 24.

The exact extent of the damage to the Company's buildings was not mentioned in the telegram.

The bombing was believed to have been carried out by the same group of Japanese planes which dropped bombs near the Lutheran Mission at Shasi the same day. The Lutheran Mission also reported the incident to the Embassy.

Indigirka Survivors Are Sent to Russia

With 429 survivors of the ill-fated Soviet steamer Indigirka aboard, the Soviet steamer Ilitch left Otaru, Japan for a Russian port early this week, the Japanese Foreign Office announced.

The Indigirka was grounded off Kishibetsu, near Wakkanai on the northern extremity of the Hokkaido on Dec. 12 with 1,000 passengers and 39 members of the crew aboard. Of this number only 429 survived during their 24-hour exposure to a snow blizzard that dipped the mercury below zero.

About 500 bodies were recovered. Survivors were sent to Otaru for medical treatment.

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Chinese Nearing Nanning

(Continued from page 169)

shook hands with the commandant of the French garrison at Langson, near the border, that same evening, it was claimed.

On Dec. 23, according to an announcement by headquarters of the Japanese Expeditionary Force to South China at Canton, Japanese troops withdrew from Chennankwan and Lungchow, having accomplished their mission of "destroying Chinese supply bases on the border of French Indo-China." The Japanese, it was claimed, seized 5,000,000 gallons of gasoline, 750,000 gallons of crude oil, 800,000 lbs of lead, 190,000 lbs of insulated copper wire and large quantities of clothing, blankets, rifles, rifle ammunition and other supplies.

Extensive Air Bombardments

During and following the brief Japanese occupation of Chennankwan, Japanese naval aircraft carried out extensive bombing activities in Kwangsi. On Dec. 22, Chinese air bases at Kweilin, Ining and Liuchow were bombarded from the air, in what *Domei* described as a determined drive to "wipe the Chinese air force from the skies over Kwangsi province." The raids were reportedly continued the following day, with 59 Japanese planes raining death and destruction on a number of towns and villages. Local Japanese military and naval spokesmen described the raids as "retaliation" for alleged ineffectual attempts by Chinese aircraft to bomb Japanese advance positions northeast of Nanning.

According to a *Domei* report from Hongkong, thousands of Chinese troops of the Central and Yunnan armies are pouring into Kwangsi province to bolster Chinese positions. The 11th., 14th and 63rd Divisions of the Central Army, forming basic forces under the command of Gen. Chen Cheng, commander of the Yunnan - Kwangsi border defense forces, were said to have reached Liuchow on Dec. 22 from southern Hunan by way of the Kweilin-Liuchow Railway. At the same time, Yunnanese forces under Gen. Liu Han, formerly stationed in southern Hunan, were arriving at Liuchow, the report stated.

Gen. Lung Yun, chairman of Yunnan province, was named director of the Kunming (Yunnanfu) Provisional Headquarters of the president of the Military Affairs Commission in a mandate issued in Chungking on Dec. 22.

Offensive Near Canton

Meanwhile, Japanese forces launched an offensive against Chinese troops "showing signs of activity" north of Canton, the Japanese military spokesman in that city revealed on Dec. 25. The purpose of the operation, he said, was to "seize and destroy" Chinese forces engaged in a winter offensive. It did not aim at seizure of "a certain point or a designated territory."

Lungmoon was occupied by Japanese troops on Dec. 25 in the course of an advance north along the Tsengkiang, tributary of the East River. Capture of the town, according to a *Domei* report from Hongkong, had awakened Chungking to the seriousness of the situation in Kwangtung and a meeting of the National Military Council was held to discuss defense measures.

Attempt to Check Japanese

From the same source it was reported that Gen. Yu Han-mou, acting commander-in-chief of the Fourth War Zone (Kwangtung) held an emergency conference with his generals at Yungyun on Dec. 25, while Chinese troops under his command were attempting to check the Japanese advance in the Taimofeng mountain range, extending east to west half way between Lungmoon and Sunfung.

Fighting in Suiyuan was mentioned in a *Domei* dispatch from Kalgan on Dec. 24 which said that troops under Gen. Fu Tso-yi, who attempted to carry out an offensive in the Paotow area on orders from Chungking, suffered a "disastrous defeat" following Japanese encircling operations on the plains northwest of Paotow along the Yellow River.

Refuting recent Chinese claims that their forces had re-entered Nanchang, capital of Kiangsi, two foreign correspondents—John D. Tobin of *United Press* and H. J. Archibald of *Reuters*—were taken by the Japanese to Nanchang by the Japanese late last week. The two newsmen, according to *Domei*, characterized Chinese claims to have recaptured Nanchang as "astounding lies."

To Curb the Communists

Measures to be enforced against Communists in Hunan were discussed at a conference called by Gen. Hsu Yueh, commander - in - chief of the Ninth War Zone and concurrently chairman of the Hunan Provincial Government, according to a *Domei* report from Hongkong on Dec. 22.

Commanders of Chinese forces in Hunan were present at the meeting. A plan suggested by Gen. Shang Chen was said to have been approved, whereby it was decided to keep a close watch on activities of the Communist Party in Hunan and to arrest or expel Communists. This decision was said to have been communicated to all units of Chinese forces in the Ninth War Zone.

Chinese Air Losses

Imperial General Headquarters in Tokyo issued a communique on Dec. 25, stating that Japanese naval aircraft were "definitely ascertained" to have shot down or blown up 1,408 Chinese military planes in the two and a half years of the Sino-Japanese conflict. In addition, 235 Chinese aircraft were "believed" to have been destroyed during the same period, bringing the total to 1,643. This number, however, did not include Chinese planes rendered *hors de combat* by the Japanese Army air force, it was stated.

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China's New Vitality

(Continued from page 168)

well as unemployed shall receive relief, and people shall be given proper training to fit them for wartime work.

"National consciousness shall be instilled into the people, so that they assist the government in detecting and eradicating treasonable acts. Traitors shall be severely punished and their property shall be confiscated.

During the past two years, these have been the guiding principles of the Chinese mass movement and its organization.

Mass Organizations

According to available statistical information, compiled by the Central Social Affairs Department, up to the first half of 1938 there were 33,398 mass organizations with about four million members. The following is a table showing the nature of the mass organizations:

	Number	*Membership*
Farmers' Associations	523	1,061,462
Fisherman's Associations	41	13,032
Productive Laborers' Unions	207	321,656
Vocational Laborers' Unions	2,805	888,046
Chambers of Commerce ..	1,230	32,200
Federations of Industrial & Commercial Guilds ..	9,513	274,539
Students' Self-Government Unions	421	69,909
Women's Associations	283	21,562
Educational Associations	547	83,291
Cultural Associations ..	614	68,867
Religious Associations .	228	43,186
Public Welfare Associations	875	228,694
Philanthropic Associations .	453	23,857
Free Vocational Associations	185	20,853
Physical Cultural Associations	83	3,348
Associations for Supporting the Resistance Campaign	816	297,290
Others	32	8,398

The above table is by no means complete, but it illustrates how well the mass organizations are under way. Aside from the above-mentioned mass organizations, we have to add the following new mass movements, now in full swing, namely, "Conscription Promotion Movement," "Refugee Relief Movement," "Thrift Movement," "Presentation - of - gold - to - the - government Movement." The military training of the citizens constitutes another essential part of the Chinese mass movement.

A New Vitality

The mass movement is one of the most imporant movements in modern Chinese history.

It has awakened 460,000,000 people from lethargy, has aroused them to a realization of the most dangerous situation the nation is facing, and has caused them to sink all their past differences—political as well as religious—and to take united actions to save the nation. It is a new driving force, a new vitality in the work of resistance and national economic reconstruction.

Chungking, December 1, 1939

600 French Infantrymen Depart from Tientsin

Bound for Chinwangtao where they were to embark for Shanghai, 600 French colonial troops left Tientsin by special train at noon on Dec. 26. This will leave only 300 French troops in Tientsin. The headquarters of the French forces in China will be transferred to Shanghai shortly, it was reported.

Britain Plans Disposal Of Tientsin Silver

The British Government is planning to settle the issue over Chinese silver held in Tientsin, possibly by distributing a portion of it through an international committee, in which both Japan and Britain would be represented, and the other part in a neutral bank, a high Chinese authority told the *United Press* at Chungking last week.

He said the British Government is seeking a formula for the settlement of the issue at present and is considering seriously splitting it into two parts.

The part under the control of the international committee, the authority said, would be used to conduct relief work in North China for the refugees from the recent floods.

"We of course object to both formulas," he said, because both of them affect Chinese sovereignty, since the silver is "absolutely Chinese property and legally China has exclusive right to possess, control and use it."

China will not consider the plan, he said, stating that China has funds for relief. He said London had assured China that the silver would never be turned over to the Japanese.

Calder-Marshall Calls On Japanese Commander

Marking the first such visit by a non-Japanese representative of the business community in Shanghai, Sir Robert Calder-Marshall, chairman of the Shanghai British Chamber of Commerce, called on Lieut.-Gen. Susumu Fujita, commander of Japanese military forces in the Shanghai area, at the latter's official residence last Saturday. This was according to the Japanese *Domei* agency, which said that Sir Robert conversed with the Japanese commander for more than 40 minutes.

Japanese Reopen Pearl River Once Again

According to information from Japanese official circles in Hongkong, the Pearl River, which was closed to all navigation Dec. 17, was reopened Dec. 26, *Domei* reported. The same conditions which prevailed before Dec. 17 were restored, the agency said.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

December 4

Marshal Wu Pei-fu, 67-year-old Chinese military leader and scholar, who rejected persistent Japanese offers to head a puppet "Central China Government," died in Peiping after an emergency operation on his jaw by a Japanese and a German surgeon.

Chinese forces recaptured on Dec. 2 Patang, 40 kilometers northeast of Nanning, after having inflicted some 500 casualties on the Japanese, Chinese report claimed. Japanese efforts to advance to the north from Nanning stoutly resisted. Pingyang, 55 kilometers northeast of Nanning, said the immediate Japanese objective.

Fighting between Japanese and Chinese troops raging on Kwangtung-Fukien border, near Chaochow, which the Japanese claimed to have occupied.

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December 5

Japanese forces at Nanning claimed to have been isolated; their supply line on the Yamchow-Nanning highway cut by Chinese troops.

Soviet Russia will continue to aid China against Japan despite Russia's desire to better her relations with Japan, declared Dr. Hu Shih, Chinese Ambassador to Washington, in a speech in New York. American credits to China and abrogation of the American-Japanese Commercial Treaty said a big help to the Chinese cause.

Sino-Soviet air service inaugurated; the giant Junkers plane "Chungking" left the wartime capital for Moscow on its inaugural flight via Sinkiang, carring among other passengers Gen. Ho Yao-tsu, special envoy to the Soviet Government.

Dr. K. C. Wu, former mayor of Hankow, appointed mayor of Chungking, succeeding Gen. Ho Kuo-kwang.

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December 6

Japanese air raids in 16 Chinese provinces from January to July resulted in 40,000 Chinese civilian casualties including 20,000 killed, destruction of 64,000 houses and damage to 6,000 others, and sinking of 380 junks. The heaviest causalties occurred in May as a result of Japanese airbombings of Chungking. Some 14,000 people killed in that month. During the 7-month period, Japanese aircraft made 1,276 raids and dropped 32,000 bombs. Kwangtung suffered 311 raids.

Yunnan said sending troops to the front to fight against the Japanese now invading Kwangsi.

Gen. S. Hata, Japanese War Minister, declared "The Army hopes for an early establishment of a new 'Central Regime' in China but believes that to speed up matters would be reckless."

If the United States does not want to go to war with Japan, she should "revise her attitude," warned the **Miyako Shimbun**, Japanese daily in Tokyo. Foreign Minister Admiral Numura said, "The United States attitude has become more constructive."

Col. Joseph C. Fegan, retiring commanding officer of the 4th U. S. Marines in Shanghai, departed for the United States.

Japanese army spokesman in Shanghai, Major Nishihara, replaced by Major Sato. Spokeman admitted that the Japanese advance in Kwangsi had met "certain resistance" from Chinese forces.

Five farmers of the Wuhsi district in Szechwan executed for raising opium in violation of Gen. Chiang Kai-shek's anti-opium order.

Death of Marshal Wu Pei-fu widely mourned in China; integrity of character praised.

*
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December 7

Intense fighting to the north and northeast of Nanning with Japanese artillery and aircraft heavily bombing Chinese positions. With the recapture of Patang, halfway between Nanning and Pingyang, the northeast advance of the Japanese was said to have been checked. Chinese militiamen and local defence forces attacking the Japanese rear north of Yamchow.

Fighting in southeast Shansi renewed; Japanese launched another attack on Chinese positions in the Chungtiao mountains.

The **Central Daily News** at Chungking accused the Japanese of killing Marshal Wu Pei-fu because his death followed a "mysterious operation" by a Japanese doctor. Messages of condolence were sent to the Wu family by Gen. Chiang Kai-shek and other government leaders.

The Export-Import Bank in Washington denied a Chungking report that a U.S.$75,000,000 loan from this American bank to the Chinese Government was impending.

*
**

December 8

Japan's war expenditures in connection with the "China Incident" from July, 1937 to April, 1940, added to next year's budget, now totalled Yen 16,455,000,000, it was revealed in reports on the budget estimates for the next fiscal year.

The French Catholic Mission at Hweichow, Anhwei, destroyed during Japanese airbombing of that city on Dec. 3.

Japanese forces, which started an attack against Chinese positions in the Chungtiao mountains on Dec. 3, claimed to have been repulsed.

Posthumous honors conferred upon the late Marshal Wu Pei-fu by the National Government. Marshal Wu made a General of the First Rank and his family awarded $10,000 for funeral expenses.

*
**

December 9

Chinese forces to the north and northeast of Nanning continued to hold out successfully against Japanese attacks.

Chinese troops in east Kwangtung launched a general offensive against the Japanese on the Kwangtung-Fukien border and recaptured Chaochow, north of Swatow. Chaochow was occupied on Nov. 30 by Japanese troops and the puppet Chinese unit under Hwang Ta-wei.

Japanese warships and aircraft active off the Fukien coast. Changchow and Chaochow heavily bombed yesterday. Kingsha, on the coast, shelled by Japanese warships.

Preparatory to the creation of a puppet army for the projected central

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Who's Who in China

Gen. Yu Han-mou, army officer; born at Kaoyao, Kwangtung, 1895; after many years of service in the army, he rose to the command of the 1st army of the Kwangtung provincial force in 1935 under Gen. Chen Chi-tang; during Gen. Chen's uprising against the National Government in 1936, he supported the government and flew to Nanking to pledge his

余漢謀
Gen. Yu Han-mou

loyalty; after the collapse of Gen. Chen's movement, he was appointed Commander-in-Chief of Kwangtung Forces and concurrently Pacification Commissioner of Kwangtung; upon the outbreak of the current Sino-Japanese hostilities in 1937, he was charged with the defence of Kwangtung; after the fall of Canton in October 1938, he resigned, holding himself responsible for the loss of the provincial Capital, but was ordered by the government to continue his military duties in Kwangtung; he is now Vice-Commander-in-Chief of the Fourth War Zone in South China; address: c/o Military Affairs Commission, Chungking.

government, a Central Officers' Training Institute was inaugurated in Shanghai by Wang Ching-wei, with himself as president. Gen. Yeh Peng, former Garrison Commander of the Wuhan Cities, made dean of the institute.

*
**

December 10

Japanese forces reported advancing northward from Canton along the Canton-Hankow Railway; Yuantang, 60 kilometers north of Canton, occupied. Heavy fighting proceeding in the vicinity of the town.

Chinese troops which reoccupied Chaochow, north of Swatow, on Dec. 6, again evacuated the city following Japanese counter-attack.

Chinese troops recaptured Kaofengnao, strategic point some 30 kilometers north of Nanning.

The Shanghai Municipal Council and French Municipal Council took joint action in curbing the mounting cost of rice, the price of which rose to nearly $50.00 per picul. Rice hoarders, speculators and profiteers warned of possible expulsion from the two foreign-administered areas and of confiscation of their stocks.

Dr. Hu Shih, Chinese Ambassador to Washington, said in New York yesterday that the Chinese were confident of continued British, French and Soviet aid in their war against Japanese aggression. A betrayal of China by the democratic Powers would emphatically belie their professed war and peace aims, Dr. Hu declared.

Chinese Coolie Kills His Starving Children

A Chinese coolie, preferring death for himself and his family rather than starvation, committed the first "pity murder" in many months in Shanghai when he put to death his two young children at their home near North Station, a Chinese report said on Dec. 22.

According to the report, the coolie's mass murder plot included the killing of his wife and himself. He was said to have been on the verge of completing his crime when puppet police caught up with him and brought him under arrest.

Giving his name as Chang Au-yi, the report stated the coolie was a stevedore by trade. His daily earnings had averaged less than $1 for months. When he could no longer bear to see his family slowly starving to death, Chang, instead of returning home with rice, purchased a quantity of heroin. He mixed part of the drug with a bowl of soft rice and gave it to the children.

A short while later, the poisonous drug took effect and the youngsters succumbed in great pain.

When they realized the children had been poisoned, the report went on, Chang and his wife burst into tears. Their weeping attracted some neighbors who reported the incident to the puppet police.

Waziris, Mahmuds Said in Open Revolt Against British

Waziris and Mahmuds are in open revolt against British rule along the Northwest frontier of India, according to a *Transocean* report from Kabul on Dec. 20, which stated that the rebellious tribesmen had secured the aid of other tribes and were attacking British outposts. A number of sanguinary battles had already been fought, the German agency declared.

British policy in India, according to the same source, was sharply attacked by a Mrs. Kammaladevi, member of the All-India National Congress, in the course of a lecture in New York last week. The speaker was reported as saying that Britain was ruthlessly exploiting the Indian population, pointing out that India was nothing but an open market for British products, thus causing seven million natives to be out of work. India, she reportedly concluded, was suffering under an imperialistic dictatorship in which British officials and Indian princes cooperated to oppress the people.

Hua Hsing Bank Opens Branch in Pengpu

A branch of the Hua Hsing Commercial Bank, which is the bank of issue of the puppet "Reformed Government" in Nanking, was opened at Pengpu, Anhwei, on Dec. 23, *Domei* reported. General banking business will be undertaken by the bank, it was stated.

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INTERNATIONAL DISPENSARY
AND BRANCHES

91-203

Men and Events

The new Turkish Minister to China, Eminali Sipahi, presented his credentials at the Foreign Office in Chungking on Monday of this week.

*

Huang Wen-shan, special commissioner for the inspection of Kuomintang Party affairs among Chinese residents of the United States, departed from Hongkong for San Francisco by Clipper Plane on Dec. 25.

*

The Chinese authorities at Chungking, according to *Domei* report from San Diego, Cal., have ordered 50 military planes from the Ryan Aeronautical Company. The contract calls for delivery within eight months and will involve an expenditure on China's part of U. S. $1,500,000.

*

"Secret Agent of Japan," a sensational book written by an Italian named Amleto Vespa, is shortly to be filmed by a Chinese company headed by James Yuan, whose first picture "Fight to the Last," attracted considerable attention in London, Paris, Moscow and New York theaters in 1938. According to an announcement from Chungking, the National Government has agreed to subsidize the production of the film to the extent of $60,000. Most of the scenes will be filmed at Yulin, a city of northern Shensi. The book, which contained forewords by Edgar Snow and H. J. Timperley, depicted ruthless Japanese military activities in Manchuria. Mr. Vespa, the author, was originally an employee of Marshal Chang Hsueh-liang. He remained in Manchuria and was employed for a time after the Japanese occupation by the Kwantung Army. It was in this connection that he obtained the information upon which the book was based. Mr. Vespa is now in the United States.

*

The Wing On Companies, including the largest and most prosperous department store on Nanking Road and a large cotton mill, located in the International Settlement, were transferred from British to American corporate registration, according to official announcements published in the local foreign and Chinese newspapers for several days beginning Dec. 15. In the case of the Wing On Department Store, the directors include C. S. Franklin, American attorney, who is chairman of the Municipal Council of the International Settlement, Wm. Gockson, J. G. Lock and Leon Kwok, who are overseas Chinese. In the case of the Wing On Cotton Mill, the names of the directors were not given, but R. E. Gilliland, an American, was listed as president of the new corporation. Mr. Gilliland is vice-president and general manager of the American engineering firm of Andersen, Meyer and Company, which is said to be owned by the American General Electric Company of Schenectady, N. Y. The Wing On store and the cotton mill were both incorporated under the regulations of the China Trade Act, passed by Congress in 1923. No statement was issued giving reasons for the transfer from British to American corporate registration.

The Union Carbide and Carbon Corporation, New York, announced early in November that arrangements had been made for mass production of a new synthetic yarn, which will be known as "Vinyon." It will be produced by American Viscose Corporation, a leading rayon manufacturer. Vinyon is said to be able to resist moisture and to have "true elasticity." It also is said to be unaffected by cleaning fluids, does not require fireproofing and will not mildew. It will be especially adaptable for sails, fish-nets, felts, industrial filters, velvets, draperies, sheer stockings.

*

Miss Chen Sin-man, 17-year-old Cantonese girl who illegally received the sum of U.S.$1,800 from the National City Bank through mistaken identification, was fined $500 in First Special District Court. The Court ruled, however, that since the money had been returned to the bank, the fine would be suspended for two years providing her conduct was good in that period. E. R. Cutting, sub-accountant of the bank, stated that he did not wish to press the case since the girl's mother had returned the money. According to the evidence, the Bank received on Oct. 18 and later two sums amounting to U.S.$1,800 from a Chinese client in San Francisco, which were addressed to a Miss Chen San-mei. The bank sent a letter to the wrong girl, who later called at the bank and presented an identification by an Italian. Later the other girl called and demanded the money, which led to the discovery of the mistake.

The President Quezon, formerly the President Madison, which was taken over recently by the Philippine Mail Line, a Manila enterprise, will be operated between Vancouver, San Francisco, Los Angeles, Hongkong and Manila, according to announcement of Capt. J. C. Onrubuia. The ship is now on its maiden voyage from Seattle to the Far East.

*

Dr. Stephen Duggan, Director of the American Institute of International Education, at New York, announced on Dec. 16 that all foreign student exchanges between United States and Europe had been cancelled because of the war situation. Some 400 American fellowships had been scheduled for this autumn, of which 300 were for special study in Europe. The system of international student exchanges had been in operation without interruption since 1919.

*

Owing to objections raised by British Indian residents of Tokyo, some of them political exiles from India, the Japanese cancelled the showing of the well-known American film "Gunga Din," which was being exhibited at the leading Imperial Theater. The Indians, who do not number more than a dozen, alleged that the film was "insulting to their race and contained distorted facts about India." The cancellation of the film was made by the police after the crowd had begun to gather, hence the management had to switch on another picture, Dorothy Lamour in "Her Jungle Love," to which the Indians took no exception.

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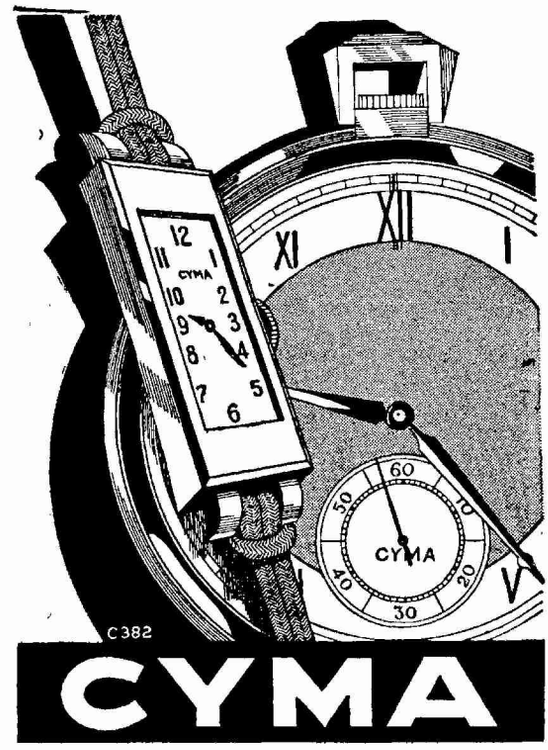

Miss A. Viola Smith, U. S. Trade Commissioner to China, who is stationed in Shanghai, arrived in Chungking by airplane on Dec. 24.

*

Ceferino Garcia, middleweight champion of the world, retained his title on Dec. 23 at the Rizal Memorial Stadium, Manila, where he scored a technical knock-out victory over Glen Lee, Nebraska "Wildcat, in the thirteenth round.

*

Chang Nan-wei, Chinese journalist at Kunming, who is a graduate of the School of Journalism, University of Missouri, was married on Oct. 1 to Miss Tai Chao-nan. The ceremony was performed by Mayor Pei Tsun-fan of Kunming. Mr. Chang is the eldest son of Chang Sze-yien, of the Great Northern Telegraph Company. Young Chang has contributed numerous articles to Shanghai newspapers and recently was the author of a "Guide to Kunming."

*

The Japanese reported, in a dispatch from Hongkong on Dec. 25, that the Eurasia Aviation Corporation, a Sino-German enterprise, had been forced to suspend its Hongkong-Chungking service due to repeated Japanese air-bombings of the airfield at Kweilin, capital of Kwangsi province. The Hongkong service previously was suspended at the outbreak of war in Europe due to the impossibility of German pilots landing in the British Colony, but resumed later when Chinese pilots were substituted for Germans.

*

The *Central China Daily News*, Shanghai, reported on Dec. 15 that merchants in the United States had placed orders in Shanghai for 2,500,000 pairs of silk stockings. The orders allegedly had been placed here in expectation of disruption of Japanese-American trade relations following the expiration of the trade treaty between the two countries next month. The same paper stated that $10,000,000 worth of knitted woollen gloves had been manufactured here and exported, chiefly to the United States, in recent months. It was claimed that the glove-knitting industry had become a leading enterprise of the city and provided employment for practically 50,000 people for considerable periods of the year.

*

Lo Ying, graduate of Cornell University, who was awarded the contract to construct a bridge across the Kwei River at Kweilin, capital of Kwangsi Province, hopes to complete the job by next May, according to report from Chungking last week. The bridge will have two stone approaches, will be 200 meters long, 15 wide and will bear a load of more than 10 tons. Stone used in the structure is being quarried from the ancient stone wall about the city. Mr. Lo was the chief engineer in the construction of the Chientang River Bridge at Hangchow which was completed only a few days prior to the Japanese occupation of that city. He is now assistant director and assistant chief engineer of the Hunan-Kwangsi Railway. After completing his work at Cornell Mr. Lo worked for three years in the engineering department of the New York Central Railroad.

The following intriguing cable from its correspondent in Berlin appeared in the *Nichi-Nichi* on Dec. 15 — "Holland arrests high Manchukuo official and puts him in jail."

*

Gen. Jiro Minami, Governor-General of Korea, issued regulations on December 12 specifying in great detail the periods and conditions under which foreigners may arrive in, stay, travel, and depart from Korea.

*

The Tokyo *Asahi* reported on Dec. 13 that the Panama Pacific Steamship Company had reached an agreement with the President Lines whereby four superior vessels would be allotted to the Singapore-Philippines-New York service. The Japanese paper regarded this as positive evidence that American shipping interests were strengthening their activities in the Pacific because of the enforcement of the Neutrality Law with respect to the European war and the increasing dangers in Mediterranean waters.

*

The Shanghai *Mainichi Shimbun* published an advertisement on the notice page of the *North-China Daily News* last week announcing, "A collection of specimens of pictures showing the lively rehabilitation conditions in Central China....Machines rarely seen and the daily life of workers are on demonstration....also interesting motion pictures.....To each and every item is attached a Chinese description for the convenience of Chinese visitors....Your visit is heartily welcome....entrance free....gifts to all visitors."

The German *Transocean* service reported on Dec. 22 that 350 Chinese, formerly residents of Germany, had boarded the Italian steamer Conte Verde at Trieste in order to return to their home country.

*

The Japanese newspaper *Yomiuri* in its account of the indictment and deportation of the American missionary, the Rev. Luther Tucker, constantly referred to him as the American "spy."

*

The *Kokumin Shimbun* reported on Dec. 21 that the German Ambassador to Japan, Major-Gen. Eugen Ott, and other high officials of the Embassy, "would be shifted from their posts shortly." The reason, according to the report in the Tokyo paper, was that they had failed to take effective measures for the enforcement of Berlin's Japanese policy "in coping with the situation arising from the Berlin-Soviet rapprochement and the outbreak of European hostilities."

*

There is increasing evidence that one must read the Japanese newspapers to obtain authoritative reports on the activities of the Wang Ching-wei faction. For example, the Tokyo *Miyako* reported on Dec. 15 that the Wang Ching-wei faction had "clarified its attitude that it would not recognize the Nine-Power Treaty and would abandon *leval* currency." The meaning of the word *leval* was not explained by the *Miyako* and it does not appear in any of the standard dictionaries.

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Prof. H. Arthur Steiner of the Political Science Department, University of California, Los Angeles, who has been in Shanghai for several days, departed on Dec. 27 for Hongkong and Hanoi.

*

Nelson T. Johnson, American Ambassador to China, who is now in Peiping visiting his wife and children, is expected to come to Shanghai shortly, according to reports in the Chinese newspapers. Whether he will remain here for a time or proceed to Hongkong and Chungking was not known.

*

Mrs. Fu Siao-en, wife of the Mayor of the Shanghai Special Municipality, died on Dec. 23 at the family residence on Avenue Joffre, French Concession. Mrs. Fu was 69 years of age and had been ill for practically a month. Date and details regarding the funeral services have not yet been announced.

*

An eight-pound daughter was born Dec. 24 to Mrs. Luther Tucker, wife of the American missionary who was recently given a four months' suspended jail sentence in Japan on charges of disseminating seditious literature. Mr. Tucker arrived in Shanghai from Kobe on Dec. 21 to rejoin his family.

*

Mrs. Bertha Jane Hyde Israel, widow of the late Albert J. Israel and sister of Thurman R. Hyde, died at Country Hospital, Shanghai, on Wednesday, Dec. 20 of a heart ailment. Funeral services were held on Friday, Dec. 22 at Bubbling Well Cemetery. Mrs. Israel was a director of the Del Monte Cafe, oldest cabaret and dancing place in Shanghai.

*

C. E. Gauss, U. S. Consul-General at Shanghai, who went to Manila last month, is returning to Shanghai shortly. Mrs. Gauss and their son, who arrived in Manila by Clipper Plane, will accompany Mr. Gauss to Shanghai. While in Manila Mr. Gauss held numerous conferences with Francis B. Sayre, U. S. High Commissioner to the Philippines and with Admiral Thomas C. Hart, Commander-in-Chief of the U. S. Asiatic Fleet.

CUSTOMS NOTIFICATION

No. 1642

All registered brokers and firms are hereby notified that they must renew their registration at the Registration Desk in the General Office between the 1st and 31st January 1940. Any Licence or Bond not renewed on or before the 31st January 1940 will be cancelled, and the broker or firm will be considered as un-registered.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th December 1939.

Nelson E. Lurton, bidding as legal representative for Messrs. F. P. Bills and G. Bourne, purchased, subject to approval, the Asia Realty Company stock (in bankruptcy) in the U. S. Court for China Dec. 27, when he made the highest offer, $1,745,000, in the special auction held before Dr. George Sellet, liquidator for the bankrupt concern. The purchase remains to be legallly agreed upon by the U. S. Court for China, and for that purpose a hearing will take place before Judge Milton J. Helmick in the early part of January. N. F. Allman, acting as principal of an intending group of purchasers, and N. E. Lurton, were the only two parties taking part in the auction. Under a court order the starting price of bidding was fixed at $1,650,000, offers being slowly raised by the two parties until the highest was reached at $1,745,000, offered by Mr. Lurton.

Lieut.-General Hiroshi Oshima, Japanese Ambassador in Germany, who was largely responsible for Japan's joining the Rome-Berlin Axis, was relieved of his office as Envoy Extraordinary and Ambassador Plenipotentiary on Dec. 27, according to orders issued by the Tokyo Government. Gen. Oshima tendered his resignation to the Tokyo Foreign Office from Berlin.

75th Session of Japanese Diet Opened by Emperor

Stabilization of East Asia by the realization of the aims of the Japanese Empire was stressed by Emperor Hirohito in the address with which he opened the 75th Session of the Imperial Japanese Diet on Dec. 26. The opening ceremonies, including the address from the Throne, lasted less than 15 minutes, *Domei* reported.

How A Pale, Run-down Girl Became Positively PRETTY

In a Canadian city a certain girl called on a physician who examined her, weighed her and tested a sample of her blood. The test showed the haemoglobin in her blood to be only 68% instead of the normal 90% to 95% for a woman. Her weight was 91½ pounds. With her blood testing only 68% haemoglobin, it was only natural for this patient to be pale and colourless, and lacking in pep and energy, because haemoglobin is not only the colouring material in the blood, it is also the precious element that carries the vitalizing, energizing oxygen from the lungs to every organ and tissue of the body.

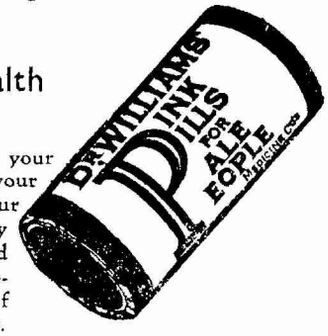
What the Physician Told Her To Do

The physician instructed this patient to take Dr. Williams' Pink Pills three times a day for a month and return for another blood test. This physician knew the formula for Dr. Williams' Pink Pills and recognized their value and safety.

One month later this patient's blood had been so greatly enriched that the haemoglobin had increaed 20%. Her weight had increased to 100½ pounds—a nine-pound gain, In the words of the physician, *"She had a lot more colour, her face had rounded out and she was positively pretty."* Her complexion had the glow caused by rich, red, healthy blood. She was revitalized and strengthened with new stores of vigour and energy.

Try This Beauty and Health Treatment Yourself

If your face is thin and haggard, your complexion pale, sallow and old-looking, your body underweight, your digestion poor, your nerves bad, your blood thin, your energy below par, take the tried and proven blood builder, Dr. Williams' Pink Pills. It's a genuine complexion beautifier and a builder of health and vigour. Obtainable at all chemists.



New Books of Interest in the Far East

Liberal With a Lash

NOT PEACE BUT A SWORD — By Vincent Sheean. Published by Doubleday Doran and Company, New York, 1939. Price U.S.$2.75.

It is rather late in the season to present a review of Mr. Sheean's pre-war interpretations. Events have proved that prejudice and bias can sometimes warp the judgment of supposedly sound interpreters.

Mr. Sheean's book has been widely reviewed and widely read, and while both the reviewers and the readers disagree on the value and objective truth of the comments and interpretations, they are unanimous in commending the book for its vivid presentation of subject matter vitally interesting to the general public in these days of world-wide disturbance and unrest.

The following Review from *America* for August 26, 1939 is among the best which has come to our notice: "Among many commentators and interpreters of modern history, Mr. Sheean holds a conspicuously high place. He has built up in several previous books a reputation for keen observation, genteel sarcasm and a generally fair appraisal of men and things. In this new study, he is more definite, more biting than usual, but not quite so fair. He is partisan with all his ink. He hates, fears, abhors Fascism and all its works and pomps. He tears the very hide off Hitler.... and rates the German push to the East as the most direful menace the world has known....There's nothing suave or genteel about Sheean's anti-Fascism. It is the club-swinging kind, and he flails away during ten bitter chapters, until he shows his readers Fascism as a downright and absolute curse, conceived in insanity, fed by viciously lying propaganda, world-destructive in its ambition and calamitous even now in achievement.

"It is a book of murderous condemnation, leveled chiefly at Nazi principles (if any) and leaders, but sweeping wide enough to flatten the 'dilapidated and uncertain democracies'; to expose the Church as the 'greatest Capitalist in Spain in the present century'; to denounce Chamberlain as the Judas of our generation, betraying at Munich all that was decent in tradition, history, treaty and law, consistently putting the interests of his own class above those of either his own nation or of humanity itself'; to expose the 'bewildered weakness' of England, as she fails to muddle through, feeding her people with ostrich security through the medium of hypocrisy, perfidy and egoism dressed out as news. So rides Mr. Sheean, frothing at the mouth.

"Now the sad thing about this cry from the depths is that the highly-heralded author can write, can select and characterize with caustic bitterness the victims of his dislike. His first chapter, 'The Thirteen Bus,' with stupid, English insular mentality is superb. By the same token, his chapters on the 'Ebro, the frontier of the human spirit,' his championship of Communist devotion, his tears for Czecho-Slovakia his easy absolution for all the anti-Catholic outrages in Spain—these run the whole gamut from straight, honest fact-recital down to insincerity and bombast with his 'strewn bones of the dead' and his rivers 'running red to the sea.' He does not try a great deal of prophecy, but he sees exactly where the plays went wrong in the European political game, and his whole historical effort is thrown into some smart Monday quarter-backing, distinctive only in his fine power of presentation."

L. F. M.

Cult of Conquest

THE RISE OF A PAGAN STATE— By A. Morgan Young. Published by George Allen and Unwin, London, 1939.

With the invader's flag flying, though precariously, over many parts of China, it is very interesting to take up this volume, and follow the author through the unveiling of the hoax which has led the Japanese people to imagine that their war has been in behalf of the "descendant of the Sun Goddess," none other than their own Emperor. Not that the writer spent time on making applications to the present conflict, but he has given us a complete historical background through well-selected passages of history, literature and recent happenings, presenting the complete build-up of that politico-religious patriotism, leaving us the easy task of filling in the

T'IEN HSIA MONTHLY

天下

Published by the Sun Yat-sen Institute for the Advancement of Culture and Education, Chungking.

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December, 1939 Vol. IX. No. 5.

EDITORIAL COMMENTARY

ARTICLES

Notes On Chinese Abroad In The Late Ming And Early Manchu Periods Compiled From Contemporary European Sources *By C. R. Boxer*
Yüan Chi And His Circle *By T. K. Chuan* (金增撼)
We Shall Live Again *By Lowe Chuan-Hua* (駱傳華)

POEMS

Three Poems *By Mai Wei-lin* (麥偉林)

CHRONICLE

Poetry Chronicle *By Ling Tai* (凌岱)

TRANSLATION

Lao Tzu's The Tao And Its Virtue (*Continued*)
Translated and Annotated by John C. H. Wu (吳經熊)

BOOK REVIEWS

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picture from what we have actually seen the Japanese attempt to accomplish here in China.

Of particular interest are the conflicts between the many families who fought for the throne of the "descendant of the Sun Goddess," and the complete lack of any restraining morality on the crude, as well as cruel methods which these contrivers for the "Divinity" employed to obtain their "Divine" ends. The use of "head hunting" and "harakiri," as described by the author, brand the Japanese, at least those who were around the throne, as really pagan and, in many respects, barbarous. That this impulse to head hunting and harakiri is still with the Japanese is most evident from their conduct in China during the past two years, and shows how little progress they have really made toward a Christian civilization. All of this is well brought out by the author.

The efforts of Japanese diplomacy to appease Christian nations by distinguishing on the word Shinto, which is synonymous with the worship of the Emperor, brought forth Religious Shinto and State Shinto. The author's observations, while treating of this subject, are, at times, open to dispute. Naturally, Catholicism was due for difficulties when the Japanese government demanded that all must take part in Shinto. The distinction given above was only a matter of words, and not true in practice, so the author claims, and, he continues, when the Vatican gave in to this scheming of the Japanese government, "it brought Rome to heel in the matter of shrine visiting." Yet, the Instructions of the Sacred Congregation of Propaganda Fide, as quoted by the author, were very, very clear. They specifically stated, and in no uncertain terms, that where these ceremonies were "endowed with a purely civil value, it is lawful for Catholics to join in them and act in accord with the other citizens after having made known their intentions, if this be necessary for the removal of any false interpretation of their acts." In nothing did the Roman Catholic Church yield her rights, as far as her teachings on faith and morals are concerned.

Finally, the author admonishes His Majesty's government for "standing aside while China is conquered, our flag insulted, our trade ruined, and even our Far Eastern fortress and Crown Colony openly threatened." Truly, it is galling when a civilized nation must step aside for the onslaught of what appears to be still a primitive paganism.

E.J.M.

Urban and Rural Housing

The Economic Intelligence Service of the League of Nations has published a study entitled "Urban and Rural Housing," containing a comprehensive account of the methods employed in a number of countries for improving housing conditions, with special reference to the cost involved and the results obtained. It is of particular interest at the present time, since it deals largely with housing problems raised after the war of 1914-1918 and the attempts made to solve those problems in various countries up to the outbreak of hostilities in 1939. It should therefore make a wide appeal to all interested in reconstruction schemes at present or in the future.

The countries dealt with are Belgium, the United Kingdom, Canada, Denmark, Finland, France, the Netherlands, Norway, Sweden and the United States of America. The author was able to visit most of these countries and to investigate on the spot the practical difficulties encountered by the housing authorities; in addition, he has co-ordinated the material published by or obtained from governmental and municipal authorities and other sources.

A chapter is devoted to each country and the information arranged in such a way as to permit the reader to compare housing problems and the efforts being made to meet them in different circumstances. For each country, figures are given to show the need for additional accommodation, the lack of modern conveniences in existing dwellings, and the number of existing dwellings which ought to be repaired or demolished as unfit for further use.

Chinese Catholics Given Concessions by Vatican

The Congregation for the Propagation of the Faith has extended to Catholics in China the permission granted some years ago to Catholics in Japan and Manchukuo to take take part in certain non-Catholic rites, *Reuter* reports from Vatican City.

Rites such as bowing to statues and reliefs of Confucius, it is stated, are an expression of patriotism, and in this matter Catholics may conform to general usage.

The instruction also abolishes the special oath which missionaries and priests in China formerly had to take. by order of Pope Benedict XVI, of obedience to the Holy See.

Baby's Weight At Birth and After.

Seven pounds at birth is a good normal weight for an infant and he should steadily increase after the first few weeks. Loss of weight, or failure to gain weight, is a sure sign that something is wrong.

Innumerable little ones who were not making steady upward progress have shown surprising response to Baby's Own Tablets treatment. Almost from the day the child was given its first dose of these Tablets improvement has been noticeable, followed by steady development all round. Appetite increases and digestion begins to function normally, intestinal action becomes regular and the child grows plump, firm and strong. Teething pains vanish almost as if by magic. What was formerly an ill-tempered, moody, feeble infant becomes changed into a cheery healthy child of whom you can be proud.

If you have a little one in your home keep Baby's Own Tablets always ready at hand to correct stomach, intestinal or teething troubles, and to ensure its good health and steady gain in weight. All chemists sell Baby's Own Tablets.

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CUSTOMS NOTIFICATION

No. 1641

The public is hereby notified that the Custom House will be closed, and the shipment and delivery of cargo suspended, on the following days—Monday to Wednesday, 1st to 3rd January 1940 (New Year Holidays), inclusive.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 21st December, 1939.

In the United States Court for China

IN RE. LAST WILL AND TESTAMENT OF MADGE DICKSON MATEER Deceased.	Cause No. 4435 Special Proceedings No. 2314 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MADGE DICKSON MATEER, deceased, to present the same with vouchers to the undersigned on or before July 1st, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES M. MYERS
Executor of Last Will and Testament of Madge Dickson Mateer, Deceased, c/o Associated Mission Treasurers, Shanghai, China.

Shanghai, China.